Weekend FT

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The fantastic world of Marbella's Mr Big

After Jesús Gil (left) became mayor of Marbella he had his beaten opponent's house bulldozed. Now he dreams of toppling the Spanish government .... Page I

Beyond the NHS

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EUROPE'S BUSINESS NEWSPAPER

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World News

EC monitors threaten to pull out of Croatia

European Community monitors threatened to quit Croatia if a humanitarian convoy carrying medical supplies and food to the besieged eastern town of Vukovar was not allowed through. Page 2

Turkey bombs Kurds
Turkish aircraft bombed Kurdish villages in northern Iraq, killing at least three people and wounding 11, in apparent reprisal for an attack by Turkish Kurdish separatists on an army border post. Page 3

Yeltsin to sign draft
Russia's President Boris Yeltsin said he was prepared to sign a draft treaty for economic union, initialled last week in Alma-Ata by 12 republics. Page 2

Red Army unravels
The Red Army began to unravel as the Ukrainian parliament approved the formation of independent armed forces. Page 2

Townships toll rises
Gunmen shot dead seven people in attacks in Durban's Umlazi township, in Natal province, bringing to 50 the number of people killed this week in a new surge of violence threatening talks on post-apartheid democracy. Gunmen fire at Mandela home, Page 3

Soldiers killed by truck
A Palestinian drove a stolen truck into a group of Israeli soldiers waiting at a bus stop in Tel Aviv, killing two and injuring at least 11 others. Last peace talks' hurdle, Page 3

Quayle to stay
President Bush removed any lingering doubt that he wants to retain vice-president Dan Quayle as his running-mate in the 1992 presidential election. Page 3

Quake jolts Iran
An earthquake measuring 5.2 on the Richter scale jolted the southern Iranian town of Lordegan. There were no reports of damage or casualties.

Mine to remain closed
A German mining company, bowing to protests by victims of Nazism, agreed not to mine gypsum from an underground labyrinth in east Germany where Hitler's Third Reich worked 20,000 slave labourers to death in the former Dora concentration camp.

Following Columbus
Three replicas of 15th century Spanish ships will set sail tomorrow for the Canary Islands and then on to Puerto Rica and America in a re-enactment of Christopher Columbus's voyage of discovery.

Climbers die
A Spanish mountaineer fell to his death on the world's fifth highest peak, Makalu, and an Icelandic climber was missing believed dead on the Pumori summit, both in Nepal.

Heroin haul
Spanish police seized 46lb of high-grade heroin and arrested 11 people in a swoop near the south-eastern city of Valencia.

Showjumpers' convicted
Former Belgian national showjumping champion Stanny Van Paesschen and his wife were given suspended three-month jail sentences by an Antwerp court for tax evasion and forgery relating to the purchase and sale of horses and to prize money.

Business Summary

Fiat to take 51% stake in Polish motor company

Fiat yesterday agreed to go ahead with the purchase of a 51 per cent stake from its long-standing Polish associate, FSM (Fabryka Samochodow Malolitrazowych), as the first stage in the privatisation of Poland's automotive industry.

Final details of the deal are expected to be completed at the end of the year. But yesterday's letter of intent signed in Warsaw commits Fiat to invest $800m in expanding production of the new Fiat 500 and introducing a new model. Page 12

LIBERTY Life, South Africa's third largest life assurance company, is raising at least $141m through an international share issue – the first by a South Africa company since the early 1980s. Page 12, Lex, Page 24

UK inflation rate fell to 4.1 per cent last month, its lowest level since April 1988. The drop reflected last September's oil price rise falling out of the index. Page 24; Lex, Page 24; Figures mean Mellor must rework his arithmetic, Page 4

GERMANY is joining the Rolls-Royce collaborative engine programme to power the UK navy's new Merlin EH101 anti-submarine helicopters. The helicopters are to be built by Westland and Agusta of Italy under a contract managed by IBM. Page 5

ADVANCED Micro Devices, silicon valley semiconductor manufacturer that has challenged Intel's dominance of the personal computer microprocessor market, reported a 14 per cent rise in third-quarter revenues to $289.4 million. Page 12

BT, UK telecommunications company, announced a further 16,000 redundancies among its workforce, following the disclosure in April that it expected to shed up to 40,000 jobs over the next few years. Page 6

BANCO Ambrosiano Veneto, successor bank to Italy's failed Banco Ambrosiano, has agreed to pay L345bn ($276m) to acquire 92.6 per cent of the 46-branch Italian bank subsidiary of Citicorp, leading US bank. Page 12

GATT: Arthur Dunkel, director general of the General Agreement on Tariffs and Trade, acted to bring five years of talks on the liberalisation of world trade to a head. Page 3

MITSUBISHI Motors, Japanese car-maker, and Chrysler of the US are close to finalising an agreement for the Japanese company to take control of their US production venture, Diamond Star Motors. Page 12

THE European Commission is preparing to force open telephone monopolies throughout the Community in spite of expected strong opposition by most European telephone monopolies and the governments which typically own them. Page 2

MEXICO has announced the terms of the sale of the nation's three state-owned steel companies, in a privatisation that in total could be worth close to $650m. Page 12

SKOPBANK, Finland's fourth largest bank, reported a further deterioration in its financial performance in the first eight months of 1991. Losses before appropriations and taxes totalled FM475.6m ($115.7m) compared with a loss of FM115.9m in the same period last year. Page 12

Miyazawa leads race for Japanese premiership

By Stefan Wagstyl in Tokyo

MR KIICHI MIYAZAWA, a veteran former foreign and finance minister, has taken an apparently unassailable lead in the race to become Japan's next prime minister.

Mr Miyazawa yesterday won the support of the largest faction of the ruling Liberal Democratic Party for his attempt to succeed Mr Toshiki Kaifu when Mr Kaifu's term expires at the end of this month.

Mr Shin Kanemaru and Mr Noboru Takeshita, leaders of the largest faction, backed Mr Miyazawa after failing to find a candidate for the party president and prime ministership from their own ranks. In return, Mr Miyazawa has promised to give them key seats in his cabinet and a say in government policy.

Because the LDP dominates the Diet (parliament), the party's president automatically becomes prime minister. The Takeshita/Kanemaru faction is decisive because it has 106 votes out of a party total of 394 in the Diet.

With a further 82 votes in his own faction, Mr Miyazawa is virtually assured of victory, especially as he is also the favoured candidate of the LDP's rank-and-file, who, through delegates, will cast another 101 votes.

Mr Michio Watanabe and Mr Hiroshi Mitsuzuka, rival faction leaders who are also running for the prime ministership, yesterday vowed to fight on. Even though their chances seem minimal, it is worth their while continuing because their determination will partly decide how many seats their factions get in the new cabinet. The party ballot is due to start on October 27.

Announcing his faction's verdict, Mr Kanemaru said members were backing Mr Miyazawa because of his policies. Faction members said another, more important, reason was that Mr Miyazawa would be a loyal political ally.

Earlier in the day, Mr Miyazawa said political reform, aimed at reducing the role of money in politics, would be his top priority.

Mr Miyazawa, who is 72, has eyed the prime ministership since he took control of his faction in 1982. An English-speaking intellectual who studied at elite Tokyo University and spent several years at the Ministry of Finance, he has sometimes been accused of paying too little attention to fellow LDP members.

He won his first cabinet post in 1962. But weak support in the LDP has prevented him until now from securing the prime ministership.

Seat of shame, Page 4

G7 talks tense as ministers differ on economic policy

By Peter Norman and Stephen Fidler in Bangkok

SIGNS of strain emerged in the economic policy co-ordination of the Group of Seven leading industrial countries as their finance ministers yesterday held the first of two days of talks on the world economy.

As the talks began, ministers and officials from the US, Japan, Germany, France, Britain, Italy and Canada also played down suggestions that the G7 would agree large-scale balance of payments assistance for the Soviet Union.

The ministers turn to that issue today when a Soviet delegation headed by Mr Grigory Yavlinsky, the radical economist and recently appointed deputy chairman of the committee for the management of the national economy, arrives in Bangkok to attend the joint annual meetings of the International Monetary Fund and World Bank.

Yesterday's talks focused on the economic performance of the individual G7 countries. This subject and exchange rates will be covered further today. A brief statement issued at the end of the session gave no details of the discussions.

But it was clear that, as in other recent meetings of the group, there was no consensus on specific policy co-ordination. One participant said the talks were "tough" because the process of policy co-ordination launched by the Plaza agreement to depress the dollar six years ago was "fraying at the edges".

Soviet leaders debate economic problems .... Page 2
Gatt chief sets deadline .. Page 3

The G7 did not complete its discussion on interest rates yesterday although all the signs were that it would follow the so-called "Sinatra doctrine" where each country goes its own way. In the analysis of individual country performance, Italy and France reportedly expressed concern that the US might not be able to sustain recovery next year, in part because of weaknesses in its financial system.

Mr Norman Lamont, the British chancellor of the exchequer, was understood the have called on the G7 to give strong backing to the so-called Trinidad Terms to ease the debt burden of the poorest developing countries.

But UK officials held out little hope that the US would overcome its objection to the plan, which was first put forward a year ago by Mr John Major, the British prime minister, when chancellor, and which envisages cutting the official debt of several very poor, mainly African, nations by two thirds.

There were also signs of tension between Italy, France and Germany on the one hand and the US and Japan on the other over whether the burden of assisting the Soviet Union had been shared out fairly.

Officials from the European states indicated that they would like the US and Japan to do more. It was disclosed that Mr Major had written as chairman of the G7 leaders to his six colleagues to urge equitable burden sharing among the group.

Where the ministers did appear in harmony was in discouraging expectations that large-scale financial aid to the Soviet Union would be agreed at today's meeting. Mr Theo Waigel, Germany's finance minister, commented that the G7 would need more information about the Soviet economy before it could consider more assistance.

The G7 will meet the Soviet delegation today when ministers hope to learn more details about the Soviet economy.

Judge denies sexual harassment claim

Centre of attention: Clarence Thomas impassive after delivering his testimony yesterday

Thomas tries to clear his name

By George Graham in Washington

IN THE glare of a televised Senate hearing, Judge Clarence Thomas sought yesterday to clear his name from charges of sexual harassment and to salvage his nomination to the US Supreme Court.

Millions of Americans, including President George Bush, watched as Judge Thomas and his accuser, Ms Anita Hill, an Oklahoma law professor, took turns describing their relationship when they worked together 10 years ago at the Education Department and then at the Equal Employment Opportunities Commission.

Firmly denying all Ms Hill's allegations, Mr Thomas said he could not think of anything he could have said or done which might have prompted her charges. "This is a person I have helped at every turn in the road since we met," he said.

Ms Hill described in explicit detail incidents in which she said Mr Thomas had "used work situations to discuss sex", describing pornographic scenes or speaking of his own sexual prowess.

The 14 Senators on the judiciary committee – all male – looked down at the papers on their desks as the 35-year-old lawyer spoke, reflecting their embarrassment at handling a problem which has stirred a nationwide debate on sexual harassment and on the capacity of the male-dominated Senate to deal with the issue.

Ms Hill recounted her upbringing as the youngest of 13 children on a farm in rural

Continued on Page 24

Major stresses 'power to choose' in party address

By Philip Stephens, Political Editor, in Blackpool

MR JOHN MAJOR, the British prime minister, yesterday put a radical programme to encourage personal ownership and choice at the heart of the Conservative party's political agenda for the 1990s.

In a speech to the party's annual conference in Blackpool, Mr Major summed up his personal creed in a single phrase: "The power to choose – and the right to own".

Declaring his own journey to Number 10 Downing Street from humble roots in south London as proof that the Conservatives were the "party of opportunity", he said individuals would be given more control over their incomes and savings, over their children's education, over their health care and over their unions.

He also sought to counter charges by the opposition Labour party that the Conservatives would dismantle the welfare state by giving the most explicit commitment yet that under his leadership they would never charge for state health care. Mr Major indicated that victory in the general election due by mid-1992 would foreshadow extensive tax and other measures to encourage "every family to save and own."

Conference reports .... Page 7
He did it his way – Joe Rogaly on Major's big day .... Page 8

Senior ministers said afterwards he wanted significant new incentives to encourage saving, share and home ownership and the eventual abolition of inheritance tax for all but the most wealthy.

Mr Major's attacks on the Labour party for its "lies" over the National Health Service, its public spending and tax plans, and its defence policy cheered a conference which earlier this week had been buffeted by the health row and unsettled by internal divisions over Europe.

The approach he offered on European economic and political union before the Maastricht summit contained no real policy change.

His rejection of federalism and of the imposition of a single currency, however, was delivered in intentionally tough terms to an audience which, like Mr Major's predecessor, Mrs Margaret Thatcher, is hostile towards further integration.

He referred to Mrs Thatcher's signature of the Single European Act in 1985 with its commitment to ever closer union. He said: "Closer union between states, not a federal merger of states. That is still our policy." In Maastricht, he said, "I shall put the interests of our country before any agreement".

Mr Major won a warm reception for a performance which broke decisively with Mrs Thatcher's triumphalist style. He made a virtue out of his awkward speaking manner by replacing her fiery rhetoric with a personal agenda delivered more in the manner of a

Continued on Page 24

MARKETS

STERLING
New York lunchtime:
$1.72085
London:
$1.7195 (1.7155)
DM2.91 (2.905)
FFr9.9225 (9.8975)
SFr2.55 (2.5425)
Y223.25 (223.5)
£ Index 90.4 (90.3)

GOLD
New York: Comex Dec
$362.4 (361.3)
London:
$358.05 (357.65)

N SEA OIL (Argus)
Brent Nov
$21.875 (+0.05)

Chief price changes yesterday: Page 24

DOLLAR
New York lunchtime:
DM1.6915
FFr5.7645
SFr1.4810
Y129.65
London:
DM1.6925 (1.694)
FFr5.77 (same)
SFr1.483 (1.482)
Y129.75 (130.35)
$ index 84.5 (84.6)
Tokyo close: Y129.85

US LUNCHTIME RATES
Fed Funds 5%
3-mo Treasury Bills: yield: 5.116%
Long Bond: $102\frac{7}{16}$
yield: 7.904%

STOCK INDICES
FT-SE 100:
2,555.0 (-15.8)
FT Ordinary:
1,953.9 (-2.5)
FT-A All-Share:
1,234.88 (-0.5%)
New York lunchtime:
DJ Ind. Av.
2,978.74 (+0.22)
S&P Comp
380.4 (-0.15)
Tokyo: Nikkei
24,157.72 (-327.54)

LONDON MONEY
3-month interbank:
closing $10\frac{3}{8}$%
Liffe long gilt future:
Dec $95\frac{1}{8}$ ($94\frac{21}{32}$)

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Serbs reject call to withdraw army

EC monitors threaten to pull out of Croatia

By Judy Dempsey in Zagreb and Laura Silber in Belgrade

EUROPEAN Community monitors yesterday threatened to quit Croatia if a humanitarian convoy carrying medical supplies and food to the besieged eastern town of Vukovar was not allowed to pass through. The threat emerged as the Serbian faction of the Yugoslav presidency rejected a call to withdraw the federal army from Croatia in apparent defiance of an agreement brokered by the Community.

Mr Mario Bondioli, an Italian EC monitor said the success of attaining any peace in Yugoslavia hinged on relieving Vukovar and evacuating more than 300 ill people and 2,000 children. He made his remarks after the convoy ran into a mortar attack on the town of Nustar, 8km from Vukovar.

The rump state presidency in Belgrade, comprising Serbia and its three allies, said the army withdrawal from Serb-populated territories in Croatia would lead to the "physical liquidation" of Serbs.

In a letter to Mr Hans Van den Broek, the Dutch foreign minister, the presidency said the army should remain in Croatia until a political agreement is reached. A western diplomat based in Belgrade said: "Serbia has effectively rejected EC attempts to broker a peace, by abandoning the idea of an army withdrawal simultaneous with the lifting of the Croatian blockade".

In Zagreb, the capital of Croatia, the republic's National Guard lifted its blockade off the federal army barracks of Borongaj.

The Croatian government is insisting that the army withdraw to the republic of Serbia, and not to the central republic of Bosnia-Hercegovina. It fears the Serbian-controlled army will regroup, attack southern Croatia from Bosnia-Hercegovina, and carve out a greater Serbia from these two republics.

Meanwhile, EC officials in Zagreb yesterday said they hoped to negotiate lifting Croatia's blockade off the big Marshal Tito barracks in Zagreb next week.

Yeltsin 'to sign' draft economic union treaty

By Leyla Boulton in Moscow

ENDING A week of suspense in his absence, Russia's President Boris Yeltsin said yesterday he was prepared to sign a draft treaty for economic union initialled last week in Alma-Ata by 12 republics.

But in an apparent concession to critics of the treaty in his own chaos-ridden government, he called for a revision of the terms of a proposed banking union. Tass said he called for a more "flexible" system. Mr Yeltsin's objections were not immediately clear, but the proposed banking union has been criticised for giving Russia too little power.

He also demanded an end to financing central government bodies not foreseen by the treaty – a move which will please Russian ministers who seek the rapid burial of the old Soviet Union and who suggest that Russia would be better off going it alone.

Despite yesterday's statement and in light of the controversy surrounding the proposed treaty, there is no guarantee Russia will sign. Without it the plan for an economic community, already signed by Belorussia, Kazakhstan and Uzbekistan, will collapse.

Although he supported the goal of signing the treaty by October 15, Mr Yeltsin also called for a speedy conclusion of the detailed agreements fleshing out the framework of the treaty drawn up by Mr Grigory Yavlinsky.

The leaders of the nine republics present at the State Council meeting – excluding the three independent Baltic states, Moldova, Armenia and Georgia – also apparently endorsed the idea of concluding these 17-odd agreements within a month. These accords range from the exact shape of a shared central banking system to pricing policy.

As a mark of his desperation to achieve some kind of consensus, Mr Yavlinsky put off his planned departure for this week's IMF meeting in Bangkok to press home his message about the need for unity in fighting the economic crisis and building a market economy.

Relieved of the responsibility of real power, it was the turn of President Mikhail Gorbachev, well known for dithering on economic reform, to steal Mr Yeltsin's clothes as the champion of decisive action. He said republican leaders had no right to leave the meeting without taking decisions. "We are wasting time, which is worrying society. Attempts are being made to set members of the State Council against each other... to hamper... the adoption of documents worked out on the basis of co-ordinated positions," he said, referring to the draft economic union treaty.

Mr Gorbachev also submitted to republican leaders a new draft for a political union, but unlike Russian ministers who support the goal of a political treaty, he is not making this a precondition for economic union.

Refugees yearn to return home in peace

By Judy Dempsey in Zagreb

A COLD morning fog settled on the clothes lines hanging outside a local school in the suburbs of Zagreb, the capital of Croatia. There were no children playing in the school yard. No teachers in the class rooms. No school bell signalling the end of a lesson.

Instead, families woke up to another day of living in one of the makeshift refugee camps housing some of the thousands of Serbs and Croats who have flocked to Zagreb after their homes were destroyed by federal army units and Serb paramilitary forces. A further 20,000 refugees arrived last Monday.

The Croatian government, which has already increased taxes to pay for the war and the refugees, is spending DM2m (£690,000) a day on the refugees. Most will remain in the camps until peace returns to this war-torn republic.

"We live in hope that we can return home," says Mr Matya Augustinovic, a 64-year-old farmer from Dvor na Uni, a village in southern Croatia near the border with the republic of Bosnia-Hercegovina.

Mr Augustinovic and his wife Katya were forced to leave their village after it was bombed at the end of July. "Our home is destroyed. I do not know what has happened to my two cows, my pigs, and the chickens," he says.

"We would like to go back. I am not angry with the Serbs in my village. They did not start the war. It is the Serbs from Serbia who did all this damage," he adds.

Like the 600 refugees who have been living in this camp since the beginning of August, people like the Augustinovic and Mutal family have taken some time to adapt. "Its very bad now. We do not know what will happen," says Mr Milan Mutal, a rugged, weatherbeaten, 56-year-old farmer from Banja, in southern Croatia.

"We feel poor and lost," says Mrs Mutal. "It is not simple to live here. We do not have our own food. We have to wait to be given food. I am happy that the people of Zagreb have been so kind to us. But it is hard."

The feeling of humiliation runs through the camp. Mr Azelko Domencic, 27, ran a small business in the town of Kostajnica, east of Zagreb, until he came to the camp on August 1.

He was warned by local Serbs that the army was preparing to bombard the town. "The Serbs in Kostajnica – I have no problems with them – they fled into the woods. They told us to flee. They said we would be shot. I was shot," he said, pulling up his shirt to show a bullet wound in his chest.

"I don't blame the local Serbs. I blame the Yugoslav army. In fact, it is a Serb army. It is a shock to see all this destruction."

Mr Domencic says Croatian politicians had made many mistakes. "[Croatian President Franjo] Tudjman did not realise from the beginning what we were dealing with. Tudjman can sign any ceasefire agreement he wants and believes in, but it does not matter because Serbia can sign any piece of paper, but it means nothing," he says.

Wine producers from Béziers burn crates of grapes from Italy and Spain at a toll plaza near Montpellier in protest at EC import regulations

Ukrainians set plans in motion for independent army

By Chrysta Freeland in Kiev

THE Red Army began to unravel yesterday as the Ukrainian parliament approved the formation of independent Ukrainian armed forces and the government took formal control of several military sectors.

Eventually the Ukraine, which envisions up to 420,000 soldiers serving in its armed forces, could command one of the largest standing armies in Europe.

The decision comes after a week of conflict with the central government. Earlier this week eight republics agreed in Moscow to retain a single, all-union army. In protest at a letter from the Soviet minister of defence which told soldiers in the Ukraine they should obey central command, the Ukraine refused even to attend the meeting.

Yesterday's Ukrainian initiative could seriously weaken the Soviet army. Some 1.5m soldiers are stationed in the Ukraine and 42 per cent of all Soviet army officers are ethnic Ukrainians. The Ukraine is inviting all of them to return to their native republic, which is one of the most prosperous in the Soviet Union.

Mr Evhen Marchuk, the Ukrainian minister of defence and security, said the Ukraine had already agreed with the central government to take control over all border troops and those of the Ministry of Internal Affairs. Tomorrow Mr Marchuk expects the Ukraine to take over the rail system. He said that by 1994-5 the formation of the Ukrainian army should be complete.

The Ukraine will continue to participate in all-union strategic nuclear forces but will insist on collective decision-making and earmarked budgetary contributions. Together with the presidents of other republics, the president of the Ukraine will take decisions about the nuclear weapons now in the Ukraine. Eventually the Ukraine intends to become a nuclear-free state but for the time being is opposed to the transfer of nuclear weapons to other republics and is insisting on a direct role in future international disarmament agreements.

The Ministry of Finance estimated that the upkeep of the Army alone will cost Rbs8bn (£2.5bn). As an incentive to ensure that officers on Ukrainian territory – only 30 per cent of whom are ethnic Ukrainians – are loyal to the republic, only those divisions which agree to come under the command of the Ukrainian Ministry of Defence will be given the coupons needed to buy food in the Ukraine.

"We need our own army to protect the Ukraine from palace coups in Moscow," said Major General Konstantin Morozov, the minister of defence. "The people of the Ukraine need to know that we are a real state with our own army."

Brussels seeks PR European polls

By Andrew Hill in Brussels

THE European Parliament is to ask member states to adopt a system of proportional representation (PR) for the election of MEPs – a move which would force Britain to change its "first-past-the-post" system.

The UK government, however, would certainly block any attempt to alter the electoral system, which would have to be approved unanimously by the 12 member states.

MEPs voted late on Thursday to press for a uniform electoral procedure based on PR which would be introduced across the Community before the 1994 Euro-elections.

A formal proposal – one of the requirements of the EC treaty – should be put to member states following the December session of the parliament.

The parliament also agreed that a uniform system should allow EC citizens over 18 to vote or stand for election in any member state, provided they have lived in the Community for a certain period.

All EC members except the UK use proportional representation for European Parliament elections.

Phone monopoly fight looms

By Hugo Dixon in Geneva

THE European Commission is preparing to force open telephone monopolies throughout the Community in spite of expected strong opposition by most European telephone monopolies and their governments, which typically own them.

Officials in the Commission's competition and information technology directorates, DG4 and DG13, have already started work on liberalising the market for telephone calls, worth about $80bn (£46.5bn) a year and one of the largest sectors of the European economy closed to competition.

Only the UK has so far opened its telephone monopoly to competition. The next most liberal country, Germany, has set itself against competition in voice services for the time being.

But an official from DG4 said the Commission had authority under the competition provisions of the Treaty of Rome to force through liberalisation irrespective of the wishes of EC members. The Commission would issue a directive under Article 90 of the treaty, he said.

The commission is concerned that the present monopolies are stifling the growth of the telecommunications market, which is seen as important to the future health of the European economy.

Monopolies on telephone calls and network infrastructure are due to be formally reviewed at the end of 1992. But DG13 has already started work by commissioning reports from various analysts, including Arthur D Little, the management consultancy.

The DG4 official said policy should be decided by the end of next year. He said a review of the situation with "lines of action" would be published.

Some governments will almost certainly put pressure on individual commissioners to dilute the liberalisation process. The DG4 official said that Sir Leon Brittan, the competition commissioner, was in favour of opening up markets but that much depended on what the other commissioners decided.

Discussions in the Council of Ministers probably would not take place until the second half of next year, when the UK, which has already backed liberalisation, would be president of the council.

UK companies such as BT and Cable and Wireless are anxious to compete in the continental market.

Cross-border gambling hearings

By David Buchan in Brussels

THE odds that Brussels will soon try to regulate EC gambling shortened yesterday with its announcement of public hearings this autumn into the cross-border barriers which European punters face.

The European Commission said the EC's Ecu46bn (£32bn) a year gambling industry was increasingly bumping up against widely differing national and regional regulations.

The commission said it planned the hearings for December, and then it would decide whether to take judicial or legislative action. Among the EC's many gambling anomalies are the fact that the UK bans any big lotteries and forbids the sale of foreign lottery tickets on its soil, but allows bookmakers in the UK to take race bets from citizens of EC states which ban such betting.

Call for European defence agreement

By Ian Davidson in Paris

FRANCE, Germany and Spain have urged that the political union treaty being negotiated between the 12 European Community countries must include all questions related to security and defence, "with the aim in future of a common defence".

After meeting in Paris, Mr Roland Dumas, French foreign minister, and Mr Hans-Dietrich Genscher and Mr Francisco Fernández Ordóñez, his German and Spanish counterparts, argued that the common defence policy could be carried out by the nine-nation Western European Union, which they described as "an integral part of the process leading to European Union".

The three ministers also recommended that decisions on implementing a common foreign and security policy could be taken by qualified majority vote of the member states.

Steelworkers oppose Krupp-Hoesch deal

By Quentin Peel in Bonn

THOUSANDS of German steelworkers staged protests yesterday against the proposed merger of the Ruhr-based steel giants, Fried. Krupp and Hoesch. The plan was denounced by trade union leaders and shop stewards from both the main industrial groups, arguing that any such move would inevitably result in substantial job losses.

They called on the European Commission in Brussels, the German Federal Cartel Office and the Social Democrat (SPD) government of North Rhine-Westfalia to investigate and block the deal.

The mass rallies at several Hoesch plants in Dortmund and the surrounding area, and including workers from Krupp's main plants in Essen, followed Thursday's surprise announced that Krupp had bought a 24.9 per cent stake in its erstwhile rival. Krupp's explanation of the move was not so much industrial logic, but rather fear that Hoesch might fall into the hands of a foreign group.

Trade union leaders who addressed an estimated 10,000 workers in Dortmund promised a "hot autumn" for the whole industrial region of the Ruhr if the deal were allowed to go ahead. They called on Mr Johannes Ran, the SPD prime minister of North Rhine-Westfalia, to block it, and in particular to prevent WestLB, the bank which owns more than 12 per cent of Hoesch, from selling its shares to Krupp.

The demonstrators condemned the actions of WestLB, in which the Land government has a controlling stake, for backing the merger.

However Mr Rau refused to intervene in the plan, after a meeting in Düsseldorf with the workers' leaders from both groups. He said the regional government was not a "decision-making body" in the matter, and had never intervened in the operational activities of the WestLB.

Madrid-Seville fast rail service plans cut

By Peter Bruce in Madrid

THE SPANISH state railway monopoly Renfe wants to cut from 24 to 16 the number of French high-speed trains it ordered three years ago to link Madrid and Seville in time for the opening of the Expo 92 next spring.

Ms Merce Sala, Renfe president, has revealed that the total cost of the line and the trains is now estimated to be some $4bn (£2.3bn), more than double estimates of three years ago. She said Renfe was negotiating with GEC-Alsthom, the Anglo-French engineering group, to cut its $500m order for the trains and was cutting back some of the more colourful services the trains were supposed to offer, such as on-board computer terminals for businessmen.

The decision to make Spain's first high-speed line between the capital and the underdeveloped south – and not to link the capital with the rest of Europe – has been widely regarded as one of the most extravagant and wasteful decisions ever made by the country's Socialist government.

Renfe itself is arguably the least profitable organisation in Spain. Its operating loss this year will amount to $2.2bn. It is one of the biggest borrowers in the Euromarkets, with a debt portfolio of close to $8bn.

Spaniards get a remarkably efficient train service in return, but the government has found it harder to convince sceptics of the need for the link to Seville, where there is little industrial or financial fabric.

Although work is proceeding night and day to ensure the line opens with the Expo next April, it has also become clear that the train (the TGV in France and AVE in Spain), will be able to travel at only two thirds of its maximum 300kmh speed. The line has run into difficulties passing through the Sierra Morena south of Madrid, and will be less straight than the fast Paris-Lyon route.

It will also, for the moment, be the only one in Spain built to the narrower European gauge. Spain has historically has a wider gauge than France as a military deterrent.

Ms Sala said Renfe had no idea how many people would use the AVE, compounding suspicions that it was a political project. In the mid-1980s when the decision to build the 471km line was taken, the government of Mr Felipe González, the prime minister, was dominated by Andalucians.

The government is now trying to decide whether the eventual link with France should be made through the Basque country or Catalonia, two nationalistic regions it is loath to alienate. Most experts believe it would come through Catalonia, but as there will not be any money available for many years the government has not thought it necessary to upset the Basques too early.

Immigrant mayor in the front line

William Dawkins meets a Togolese engineer in the French government

UNTIL recently, Mr Kofi Yamgnane was no more than a local French curiosity – an obscure Togolese civil engineer who married a Breton girl and happened to become the mayor of Saint-Coulitz, a village of 350 people near Brest.

Since his appointment last May as junior French minister for integration and social affairs, Mr Yamgnane has been drawn into the front line of the peculiarly nasty – but important – political battle over immigration policy.

As the first naturalised Frenchman from Africa to become a government minister, Mr Yamgnane commands more moral authority on immigration than most, even if he is no political heavyweight. Immigration has come to the fore in France recently, with warnings of an "invasion" by former president Valéry Giscard d'Estaing and the passing this week of a law against clandestine workers and their employers.

Mr Yamgnane stirred up controversy himself a few days ago when he reminded Islamic French citizens that they must observe French law against polygamy, a remark greeted as tactless by Islamic groups.

But yesterday, Mr Yamgnane sought to cool the general debate, in which the right has for the worst motives been seeking to enlarge and capture the anti-immigrant vote. "I don't believe France is a racist country," he says. Anti-immigrant feelings reveal wider worries over unemployment and the economy, he argues.

Kofi Yamgnane: economic planning is the real problem

Mr Yamgnane insists that the latest government controls on clandestine workers and illicit immigrants will not be followed by mass expulsions, if only because of the impossibility of tracking down France's several hundred thousand illegal residents. "There will be arrests certainly... but it is clear that one will only capture a very small part... a few hundred perhaps," he said. Even then, expulsions will only take place after individual judicial trials.

The curbs will be effective against new arrivals, "but for those who are already in France, it won't be simple," he admits. At the same time, the government will not flinch from expelling people where justified, says Mr Yamgnane, who scoffs at the outrage created by Prime Minister Edith Cresson's suggestions that illicit immigrants should be given free charter flights home. "We can't exactly take them home in buses," he says.

Neither does he have time for pessimists who see the past year's wave of urban riots and the immigration debate as evidence of a breakdown of the traditional policy of integrating new arrivals into the French way of life.

"Certainly, the problem has changed. It used to be a case of assimilating essentially Christians and Jews, which was of a different order from the assimilation of Moslems. But the integration of Moslems is well under way. After all there are more than 3m of them in France now and Islam is the country's second religion," points out Mr Yamgnane – himself an agnostic Christian.

The real problem, he argues, is economic planning. "In France 9 per cent of the population is foreign. Yet the percentage builds up to 25 per cent in suburbs of Paris and Marseilles. We need to disperse them more widely."

Part of the answer he proposes is to shift more central government grants to the provinces away from Paris, which receives three times as much grant per head as Brittany.

It is no surprise that Mr Yamgnane should defend integration, since he is a classic example of it. He left Togo at the age of 19, in 1964 – four years after it achieved independence from France – to go to engineering college in Brittany, married a fellow student, and began a career in the civil service, leading to local politics.

He was elected France's first naturalised immigrant mayor in 1989. As such he installed an African-style council of wise old people in Saint-Coulitz, an idea which went down well locally. It is a mark of the local affection he has earned, that a secretary broke into Mr Yamgnane's interview to deliver an urgent fax bearing best wishes for his 46th birthday yesterday, from an anonymous admirer in Finistère.

Italians prepare for census

By Robert Graham in Rome

FORMS for Italy's 13th population census began being distributed yesterday, amid hopes that it would produce a more accurate assessment of the country's increasing immigrant community.

The last census in 1981 recorded Italy's population at 56.6m, but made little attempt to establish the number of foreign workers and immigrants.

In the past year, the government has come under pressure to establish an accurate picture of the immigrant community, which is unofficially reckoned to number around 1m. Of these, only 400,000 are registered with the authorities; most are illegal.

The census forms have also been printed in seven languages in an attempt to obtain as many responses as possible from immigrants.

In all, 30m forms have been printed for distribution in 8,100 municipalities. The national statistics office, Istat, has employed satellite photography for the first time, which has enabled statisticians to divide the country into 400,000 "statistical units".

The operation is costing L446bn (£205.5m) and definitive results are unlikely before 1993.

The population census will also coincide with Italy's seventh industrial census.

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INTERNATIONAL NEWS

Gatt chief sets world trade talks deadline

By William Dullforce in Geneva

MR Arthur Dunkel, director general of the General Agreement on Tariffs and Trade, yesterday acted to bring five years of talks on the liberalisation of world trade to a head.

Calling in heads of delegations from the main trading powers, he told them that the seven groups negotiating in Geneva had to finish their work by November 1, so that a package of draft agreements could be presented to governments for approval.

He threatened that, if negotiators failed to reach agreement, then draft texts would be prepared by the chairmen of the groups and put to governments to take or leave.

Gatt's director general made a strong appeal to negotiators not to hold back from making deals in the hope that they could win advantages in an *11th-hour give-and-take.* The final hour for the Uruguay Round talks had arrived.

Unless a package of results could be agreed in November, the possibility of completing the round by the end of the year or even in the first two months of 1992 could be ruled out, Mr Dunkel said.

Implicitly his message was that, if the main trading powers did not now move to bridge the wide gaps remaining between them on such crucial issues as the reform of world farm trade, services, intellectual property rights, textiles and clothing and tariff cuts, *the most ambitious effort ever* made to liberalise world trade would have to be abandoned.

Mr Dunkel will put this message to finance ministers and central bank governors tomorrow at the annual meeting of the International Monetary Fund and the World Bank in Bangkok, where for the first time Gatt's top official has been asked to address the IMF's interim committee.

Diplomats reacted favourably to Mr Dunkel's strategy of forcing governments to decide the fate of the Uruguay Round. "I can see no better alternative," *said one.*

Significantly, Mr Dunkel made his move after Mr Jürgen Möllemann, German economics minister, this week forecast a change in German policy which might open the way for the European Community to accept a deadlock-breaking compromise over reductions in agricultural subsidies.

Baker set to tackle last peace talks hurdle

By Hugh Carnegy in Jerusalem

MR James Baker, the US secretary of state, today embarks on his eighth Middle East trip since the Gulf war in a bid to remove the final obstacles to a peace conference.

Underlining the rising tension in the region as the end-October target date for a conference approaches, a Palestinian from the occupied West Bank yesterday drove a stolen van into a group of Israeli soldiers standing by a busy junction on the outskirts of Tel Aviv, killing two and injuring a dozen more, four seriously.

The incident, condemned by Mr Yitzhak Shamir, the Israeli prime minister, as a "terrible deed of terrorists", came only hours after Mr Baker, citing "highly classified information", warned that "rejectionists and extremists" would try to sabotage peace talks.

As well as acts of violence, Mr Baker was referring to actions by right wing Israelis – including members of Mr Shamir's government – who oppose a peace conference. Yesterday, a group of Jewish settlers remained in armed occupation of a house in Silwan in Arab east Jerusalem taken by force in an operation clearly timed to disrupt Mr Baker's efforts.

The toughest problem still to be cracked by Mr Baker is the issue of Palestinian representation. A delegation of Palestinians from the occupied territories held talks at the State Department yesterday and Thursday on the terms under which they would attend a conference. Mr Baker then has to secure agreement on the make-up of a joint Jordanian-Palestinian delegation to the talks.

Israel is adamant that it will not accept any Palestine Liberation Organisation representation, nor any Palestinian delegate from Jerusalem and it wants, in effect, to veto all Palestinians slated to attend the conference.

Fuelling Israeli reticence were reports yesterday that Syria would link taking part in multilateral talks on regional issues, such as water resources, to an agreement from Israel for bilateral talks on the return of the Golan Heights, which Israel says it will not concede.

A Palestinian is dragged away by a detective after driving into a group of soldiers

Turkey bombs Kurdish villages

By *John Murray Brown* in Zakho, northern Iraq

TURKISH aircraft bombed Kurdish villages in northern Iraq early yesterday, killing at least three people and wounding 11 others in apparent reprisal for this week's attack by Turkish Kurdish separatists on an army border post.

Mr Mesut Yilmaz, the prime minister, said eight sorties were made, but did not know the full results.

Aid workers and Kurdish officials said five remote mountain villages were hit. They lie in an area which until July was part of the allies' safe haven for Kurds.

An Iraqi government doctor at the hospital in the border town of Zakho was yesterday treating four Kurdish Peshmerga guerrillas, a woman and her four-year-old daughter for burns. The woman said she was picking tomatoes while the men were helping to rebuild homes destroyed by earlier Iraqi attacks.

Turkey's action follows the killing of 11 Turkish soldiers near Cukurca. It represents the latest bid to combat the separatist Kurdish Workers party (PKK), which has exploited the power vacuum in northern Iraq left by the allies' withdrawal following the successful relief operation for Kurds.

The Turkish raid comes amid growing criticism of the government's failure to combat the PKK. The PKK has still to release seven Turkish soldiers taken hostage in a raid on an army post near Semdinli in August. That attack prompted the earlier air strike on Kherazook and other villages which left 20 dead and 15 wounded, according to UN officials.

The raid could jeopardise UN efforts to bring a 2,500-truck convoy across the Turkish border for the 350,000 displaced Kurds still living without shelter in north-east Iraq. Already Turkish drivers are refusing to travel the road to Suleymania following this week's clash between Peshmergas and Iraqi government forces.

Turkey faces an election on October 20, and the government may be keen to signal a strong stance against the PKK.

The seven-party Iraqi Kurdistan Front, the main Kurdish political group, said the raids "inflicted heavy casualties and property losses" on villages under construction with the help of western relief agencies.

● Michael Littlejohns adds from New York: The UN Security Council was expected to approve last night a tough resolution demanding that Baghdad "meet unconditionally all its obligations" to disclose its nuclear and other weapons capability.

Bush vetoes Democrat benefits bill

By Michael Prowse in Washington

PRESIDENT Bush yesterday vetoed a Democrat-sponsored bill that would extend unemployment benefits by 20 weeks. The announcement came as a smaller-than-expected increase in wholesale prices and weak underlying retail sales figures signalled a sluggish economy.

The White House regards the $6.4bn unemployment benefits *bill as unnecessarily lavish* given signs that the recession bottomed out during the summer. But Mr Bush continues to support a more modest $4bn proposal advanced by Senate Republican leader Robert Dole that would extend jobless benefits by 10 weeks.

The veto was the 23rd since Mr Bush became president.

Bond prices rose sharply on Wall Street following news of a 0.1 per cent increase in finished producer prices last month. Analysts had expected an increase of 0.2 per cent.

The annual rate of producer price inflation fell to 0.7 per cent, compared with 4 per cent at the beginning of this year. Excluding the volatile food and energy components, "core" producer prices were flat last month.

Separate figures showed a 0.7 per cent increase in retail sales last month. But the rebound, which followed a revised 0.6 per cent decline in August, mainly reflected higher car sales boosted by purchases for rental fleets. Excluding cars, retail sales rose only 0.1 per cent, suggesting that consumer demand remains generally weak.

The good inflation figures and weak underlying retail sales were seen as increasing the chance of another small cut in interest rates.

Quayle to stay on Bush ticket

PRESIDENT Bush yesterday removed any lingering doubt that he wants to retain Vice President Dan Quayle as his running-mate in the 1992 presidential election, writes Lionel Barber in Washington.

According to papers filed with the Federal Election Commission, Mr Bush has designated a Bush-Quayle 92 committee as the principal vehicle for his re-election campaign.

Mr Bush's move yesterday marks *the first step* towards re-election. He is expected to formally declare he is running again in January.

Gunmen fire at Mandela home

Gunmen fired two bursts from automatic weapons at Nelson Mandela's Soweto home on Thursday night, the African National Congress said yesterday, Reuter reports from Johannesburg.

Mr Mandela, the ANC president, was at home but no bullets hit the house.

Belgium warning to Mobutu

Belgium yesterday told President Mobutu Sese Seko to allow democratic and effective government in Zaire, writes David Buchan in Brussels.

Mr Mark Eyskens, foreign minister, said Belgium insisted "in unequivocal terms" on "representative and effective" government with real powers.

President Mobutu has been spinning out talks with opposition leader Etienne Tshisekedi, whom he has accepted as prime minister, by scheming to get half the ministerial jobs for his supporters.

Boeing to modify airliner engines

By Paul Betts, Aerospace Correspondent

BOEING will today start dispatching teams of engineers around the world to modify the thrust reverser system on 58 Boeing 767 wide-body airliners powered by Pratt & Whitney PW4000 jet engines.

The modification programme follows last May's crash of an Air Lauda 767 in Thailand. All 223 aboard died after a thrust reverser was activated in one of the engines as the aircraft was climbing.

Boeing gave no estimate of the cost of the modifications which will involve the 58 aircraft being taken out of service for several days while the changes are made. The thrust reverser redirects an engine's exhaust to give an aircraft additional braking power.

The US Federal Aviation Authority has approved the modifications which involve changes to the electrical control, hydraulic actuation and crew-indication systems.

The FAA ordered last August airlines to deactivate thrust reversers on 767s after the Air Lauda accident investigation suggested that a faulty valve probably caused deployment of the system leading to the fatal crash.

The FAA said airlines could begin using again thrust reversers once the changes have been made.

Among the airlines operating PW4000 powered 767s are SAS, United Airlines, Delta, Avianca, Lauda Air, and Egyptair.

INTERNATIONAL NEWS

Big boy pursues seat of shame

Veteran Japanese politician Kiichi Miyazawa has swallowed his pride to win the backing of the ruling party's kingmakers. Stefan Wagstyl reports

Miyazawa: may become another puppet prime minister

MR Kiichi Miyazawa is said to have cried when he failed four years ago to become Japanese prime minister.

This time the 72-year-old veteran party leader is taking no chances. He was the first to declare himself in the race to succeed Mr Toshiki Kaifu, whose term as prime minister expires at the end of the month. Then, he pulled no punches in attacking Mr Kaifu's record, accusing him of being a political lightweight in the ruling Liberal Democratic party, and saying it was "time for the big boys to take over".

Finally, Mr Miyazawa begged for support from Mr Noboru Takeshita and Mr Shin Kanemaru, leaders of the LDP's biggest faction, without whose backing he would have stood no chance. He swallowed his proud expertise on economics and international affairs and promised to lead the country in accordance with their wishes.

The ritual screw was turned tighter. He was, humiliatingly, made to deliver his pledge of obedience not to Mr Takeshita or Mr Kanemaru, his contemporaries, but to their lieutenant, Mr Ichiro Ozawa, more than 20 years his junior. "The man of policy was turned into the man of flattery," said the tabloid newspaper Fuji Yukan yesterday. Mr Miyazawa sat "in the seat of shame".

In return the Takeshita/Kanemaru faction yesterday promised to back Mr Miyazawa when the party leadership election is held on October 27, giving him an apparently unassailable advantage over the two other runners in the race – Mr Michio Watanabe and Mr Hiroshi Mitsuzuka.

Mr Takeshita and Mr Kanemaru have backed Mr Miyazawa principally because they failed to find a suitable candidate from their own faction. Mr Ozawa refused to stand on the grounds that he has recently had heart trouble and that at 48 he is too young. Choosing another man risked disrupting factional unity – so it was easier to choose Mr Miyazawa.

But the price of their support will be the pick of other cabinet posts plus a strong influence over Mr Miyazawa's policies. Like Mr Kaifu before him, Mr Miyazawa may be labelled a puppet prime minister. However, unlike Mr Kaifu, who had little weight in the party and virtually no experience of dealing with officialdom, Mr Miyazawa will come to the premiership with his own faction (the third largest) and a lifetime of experience in government.

These advantages would not count for much in a fight with

> A shy man, Mr Miyazawa could not bring himself to spend enough time drinking with other party members

Mr Takeshita or Mr Kanemaru. But Mr Miyazawa may be able to carve out a role for himself by concentrating on issues in which factional interests are not involved – such as foreign policy – as Mr Yasuhiro Nakasone did from 1982 to 1987.

Mr Miyazawa was born into the governing class: his grandfather was a cabinet minister and his father a Diet member. He learnt English, went to Tokyo University and joined the administrative elite at the Ministry of Finance. His first overseas mission was as a junior member of Japan's delegation for the signing of the US-Japan peace treaty in San Francisco in 1951.

He joined the LDP and secured his first cabinet post as long ago as 1962. He then held a succession of high government posts – serving as foreign minister in the mid-1970s and finance minister in the mid-1980s.

But the top job eluded him. A shy man, Mr Miyazawa could not bring himself to spend enough time drinking with other party members. He hoped his experience in government, his solid understanding of the economy and his reputation abroad would be enough, But, as one LDP member put it: "Mr Miyazawa may speak English. But can he speak Japanese?"

In 1987, he had to settle for being Mr Takeshita's finance minister, hoping that another chance would present itself before he grew too old. But in 1989, he got caught up in the Recruit bribery affair and resigned after one of his aides admitted accepting cut-price shares from Recruit, a publishing company.

But the LDP is very forgiving of the misdemeanours of its members – not least because most members have something to forgive. As public anger cooled, the scandal-tainted leaders, led by Mr Takeshita himself, crept back to the centre of power.

The critical issue is whether he will make much difference to Japanese policy-making. Having waited for so long, Mr Miyazawa will doubtless try to put his personal stamp on government, particularly on foreign policy.

He has repeatedly pledged to expand Japan's contribution to the international community, including United Nations peacekeeping operations. He has said it is time to end the "big brother-little brother" relationship with the US.

But his policies are now mainstream positions. He grasped the significance of internationalisation earlier than some of his colleagues and is certainly a more eloquent exponent of what it entails. He may well bring more coherence to Japanese policy-making. But he may not. Being clever has not always helped Mr Miyazawa in the past and may not help him now.

Kaifu hint on rice market denied

JAPANESE agriculture officials yesterday insisted the rice market would not be opened to imports, countering hints from Mr Toshiki Kaifu, the outgoing prime minister, that Japan would agree to rice "tariffication", the replacement of existing barriers with a new tariff regime, writes *Robert Thomson in Tokyo.*

Japan has fought against opening its rice market during the Uruguay Round of multilateral trade negotiations, though it is generally understood by Japanese politicians that the country will have to allow a small but symbolic amount of imports if the US and EC reach agreement on farm trade reform.

Rice is a sensitive issue in Japan, where farmers are traditional supporters of the ruling party. Mr Shiwaku said rice has a significance for Japanese which "can't be measured in economic terms".

Nomura fined

THE Tokyo Stock Exchange is to fine Nomura Securities Y50m (£224,200) for excessively urging clients in 1989 to buy stock in Tokyu Corporation, a railway company, Reuter reports from Tokyo.

The manipulation inflated the price of the stock.

UK NEWS

Air travel shows gradual recovery

By Paul Betts, Aerospace Correspondent

AIR TRAVEL is gradually recovering from the Gulf war decline, according to BAA, the UK airports operator. Even so, traffic remains below last year's levels.

BAA handled 7.3m passengers at its eight airports last month, 1.6 per cent fewer than in September last year.

There were falls of 7 per cent in July and 2.3 per cent in August, compared with year-ago figures.

For the first time since the Gulf war, the number of take-offs and landings at BAA airports last month was 1.5 per cent higher than the number last September.

Traffic at Heathrow, BAA's most important airport, showed 0.7 per cent fall last month. Stansted, its newest airport, continued rapid growth with a 53 per cent rise.

EC health and safety rules may cost £300m

By Diane Summers, Labour Staff

INDUSTRY may face costs of £300m in the first year of implementing a range of new European Community health and safety laws, the Health and Safety Commission disclosed yesterday.

A total of eight EC directives on the topic are due to be incorporated into British legislation by the end of next year. Costings have yet to be done by the Commission on the implementation of all the directives, but it is likely that businesses may face similar costs in subsequent years.

The Confederation of British Industry said that the projected costs were "of some concern", although their exact scale would depend on how sensibly the the rules were implemented.

The figures emerged at the launch yesterday of a consultation document on implementation of an EC framework directive on health and safety by the Commission. The framework sets the outline principles for further, more detailed, directives.

Employers will be required from 1993 to carry out formal audits of all health and safety risks to their employees. They will also have to appoint "competent persons" – the criteria for whom has yet to be decided – to help them monitor and act on the audits.

The cost to industry of preparing the audits is estimated by the Commission to be between £4m and £42m initially, and between £500,000 and £4m a year after that. Documenting health and safety arrangements is estimated at about £8.5m in the first year and £1m in subsequent years. The appointment of competent persons might cost about £55m a year, and providing information and training for employees about £10m a year.

The framework directive is only the first of eight directives that will be law in Britain by the end of next year and will involve employers in extra costs. Of the others, the one with the most significant impact is likely to be the directive on the lifting and carrying of heavy loads by employees, particularly where there are risks of back injury.

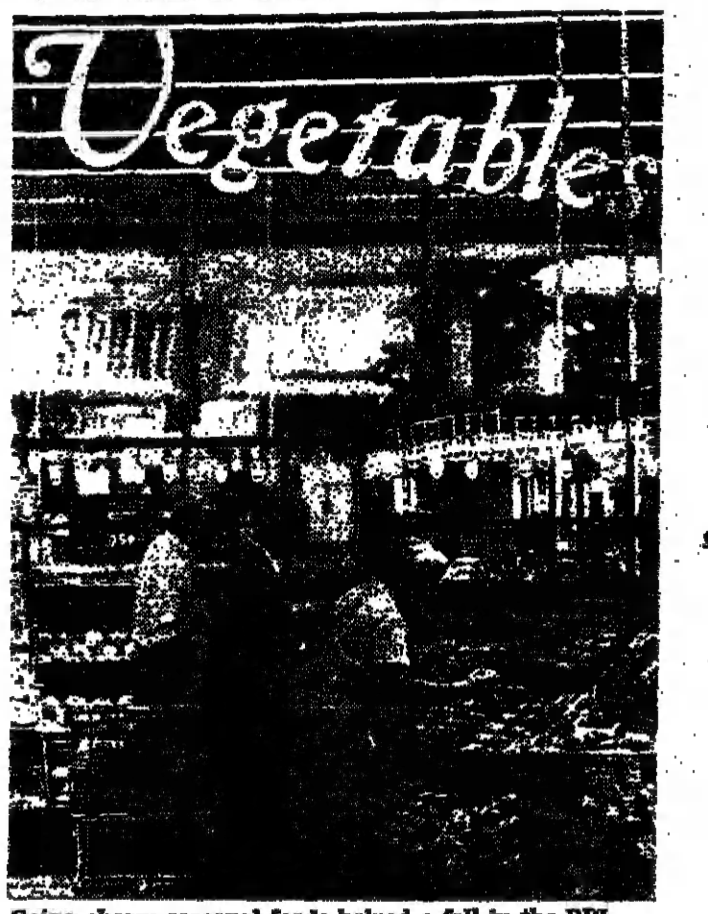
The Commission estimated yesterday that the manual handling directive might cost industry £170m a year to implement. Another directive on protective equipment is likely to cost about £10m a year, and the implementation of a work equipment directive might cost £10m to £16m over 10 years.

No estimates have yet been made for the costs involved in bringing in new rules on visual display units. The measure is likely to involve some re-equipping and the provision of free eye tests by employers.

The Commission said if just 5 per cent of all accidents at work were prevented as a result of the measures, then the additional costs of implementing the framework directive would be covered.

Cheaper fresh food helps to restrain rise in retail prices

By Rachel Johnson, Economics Staff



Going cheap: seasonal foods helped a fall in the RPI

CHEAPER vegetables and fresh fruit caused seasonal food prices to drop by a monthly 5.5 per cent in September, the Central Statistical Office announced yesterday.

That sharp fall in seasonal food prices – the biggest September fall since 1962 – was one of the main factors in the fall in the annual rate of increase of yesterday's retail prices index for September to 4.1 per cent, after August's 4.8 per cent.

It helped to offset higher prices for clothes and household goods as summer sales tailed off and new stocks arrived for the autumn season.

A steep increase in the price of oil price last year – which then added 0.3 percentage points to the index – also dropped out of the annual comparison last month, pushing the index down 0.1 percentage points. Last year, higher petrol prices added 0.3 percentage points to the index, whereas petrol prices last month fell 1.6 per cent.

Falling housing costs also played a big part in the overall decline in the index. After a series of mortgage rate reductions and the cuts in poll tax bills, housing costs dropped by a monthly 0.1 per cent to take the annual rate to a negative 8.8 per cent – the lowest since records began in 1947.

The latest round of mortgage reductions of 0.5 percentage points should reduce the index by a further quarter-point in October this year, the CSO said.

Those factors kept the monthly rise in the index last month to 0.4 per cent. Otherwise, rises in clothing, footwear and leisure services would have limited inflation's fall.

Next month, the rate of increase in RPI inflation is expected to fall to 3.5 per cent as base effects from last year's Gulf crisis drop out of October index and mortgage rate reductions continue to feed through.

Mr David Mellor, chief secretary to the Treasury, was one of many who welcomed the fall. "These are most encouraging figures showing we are on course, as promised, for inflation of 4 per cent average in the last quarter of this year," he said.

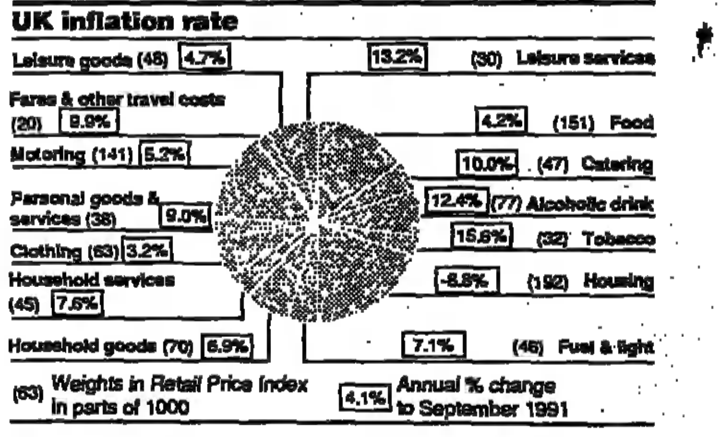
"We are back below the European Community average for inflation for the first time for five years."

In October, UK inflation is set to undercut that of Germany, which was rising at an annual 3.9 per cent in September.

However, the prices of seasonal and non-seasonal foods, tobacco, household fuel, postal and telephone charges are all set to rise next month. That suggests that the UK's inflation performance is unlikely to better Germany's for long, as unit wage costs remain high and sterling's weakness keeps up imported inflation from the US.

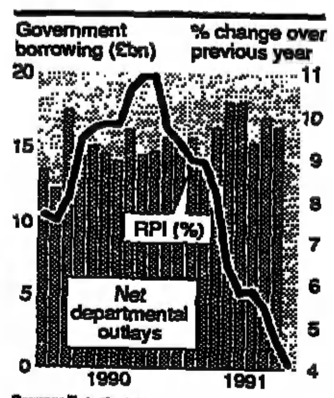
The general index of retail prices in September was 134.6 (January 1987=100), after 134.1 in August.

UK inflation rate



Figures mean Mellor must rework his arithmetic

> **Rachel Johnson** explains how retail price statistics put pressure on government spending plans



MR John Major, the prime minister, was understandably cheered by yesterday's fall in headline inflation to an annual 4.1 per cent and his success in reducing Britain's double-digit inflation rate to within a whisker of German levels "in just one year".

The September retail prices index was also greeted happily by Mr David Mellor, who, as chief secretary to the Treasury, is right in the thick of the public-spending battleground for 1992-93. Its much-flagged release helped to keep rising public spending out of the headlines during a week when the pound was weakened by the opinion polls and Tory bickering over Europe.

The September RPI is also an important piece of the economic jigsaw that is forcing Mr Mellor to rework the spending plans – laid out by his predecessor Mr Norman Lamont last year – for next month's Autumn Statement on public expenditure and economic prospects for 1992.

In one sense, this RPI is a lucky piece. In the Autumn Statement, the Treasury assumed that the RPI would be rising at an annual 5.5 per cent in September – the rate to which the upgrading of social security benefits and pensions in the year from April 1992 is tied.

Its fall to 4.1 per cent today – from 4.7 per cent in August – will save the exchequer about £390m, on the Treasury's rule of thumb that a fall of 1 per cent in the RPI saves £280m on benefit spending.

This time last year the pendulum swung the other way, and the Treasury paid a heavy price for a 4-percentage-point error in its forecast. Inflation rose by 10.9 per cent in September, compared with its forecast of 6.5 per cent, and cost the exchequer an estimated £2bn.

With the September RPI, the government's luck with the effects of past forecasts on the 1992-93 spending total runs out. Not even the better-than-expected inflation performance will leave the exchequer in the black.

Income-related benefits – as opposed to the retirement and unemployment benefits linked to the RPI – are tied to the index that excludes housing costs. This "Rossi" rate of inflation – named after Sir Hugh Rossi, once social security minister – is set to overshoot its forecast 5.5 per cent because of the Budget juggling with VAT and the poll tax.

Rossi inflation fell to 7.2 per cent in September, from 7.9 per cent in August. The error will cost the exchequer £500m. It is not flattered by the 30 per cent reductions in poll tax bills, but does reflect the rise in VAT to 17.5 per cent.

Mr Michael Meacher, the shadow social security secretary, worked out the arithmetic yesterday ahead of the government. On the Rossi scale, a single pensioner's weekly benefit would rise to £57.25 from £53.40, and a couple's would increase to £87.15 from £83.15.

Those increases will force the Treasury to spend an extra £100m after its miscalculation of the September RPI. With a planning total of £221bn pencilled in for next year, this does not appear too huge. But add in the cost of the unexpected rise in unemployment, and it becomes apparent that these forecasting errors on inflation and unemployment have wiped out Mr Mellor's ability to increase spending without adding to the planning total.

A year ago, the Treasury forecast that unemployment would average 1.75m a year between 1990 and 1992. By its own ready reckoner, the exchequer has to pay £325m a year for every 100,000 people out of work.

With unemployment predicted to average nearly 3m in 1992-93, the extra costs mount up to £3.5bn – not counting the revenues forgone from lost income-tax receipts that will accompany the rise in the jobless total.

Mr Simon Briscoe, of Greenwell Montagu, the investment house, said: "They'll have to run down the reserve simply as a consequence of unemployment's rise.

"This means every [additional]pressure Mr Mellor concedes to will straight away add to the planning total."

The City is prepared for the planning total to stretch to about £227bn in 1992-93. That includes a £3.5bn contingency reserve, run down from £7bn.

Mr Chris Dillow, economist at Nomura Securities, tots it up. The planning total deflator will add £2bn to the base £221bn to accommodate higher wage inflation; then there is an extra £1.5bn to £2bn for the poll tax to pad out local-authority grants and keep down individual bills before the election. Upgrading services in transport, health and education add an extra £2bn.

An increase to about £227bn would not be a shock. The City is already expecting a public-sector borrowing requirement between £15bn and £20bn next year – about 3 per cent of gross domestic product – compared with the Budget's forecast of £12bn.

City economists have been softened up into expecting a rise in public borrowing by Mr Lamont's talk of automatic stabilisers – the mechanisms that lift spending in a recession and lower it when what the chancellor hopes will be non-inflationary growth resumes.

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Review promised at Fox over potentially illegal activities

By Richard Waters and David Blackwell

THE LONDON Futures and Options Exchange (Fox) yesterday disclosed details of the potentially illegal activities that have taken place in several of its contracts and pledged a thorough review of the market's operations and management.

Mr Philip Thorpe, chief executive, explained in a letter to members a series of payments to member firms, "consultancy fees" and rebates of levies paid by members.

Together, the payments show how aggressively Fox, under Mr Mark Blundell, its former chief executive, encouraged the use of its new contracts.

Mr Thorpe added that further investigations were under way. "I'm going to keep an open mind about the extent of the problem until I can draw conclusions. I've been very concerned that members have been kept in the dark until now. We've all been working very hard to find out what's gone on."

The irregularities reported to Fox's board yesterday morning, and communicated later to members, include:

- The exchange paid £162,055 plus VAT to one of its members "in respect of trades undertaken by the member with the guidance of Mr Blundell" in the property futures market. Mr Blundell, who resigned as chief executive last Saturday, is understood to have issued indemnities to brokers to deal.
- Also to promote the property futures market, the exchange paid one of its members a £25,000 "consultancy fee". There have been unspecified "dummy trades" in the contracts, at times made with the "encouragement of the exchange".
- Two members of the exchange were paid £10,000 each to encourage their support of the rice contract, although they were not directed on how they should trade.
- In one contract – that based on the Metallgesellschaft metals index (MGMI) – rebates were "available only on a limited basis", rather than to all those involved in the market.
- Incentives on other contracts, such as rubber and arabica coffee, had included levy holidays and discounts on the exchange's terminals.

Mr Thorpe said: "There was a heavy enthusiasm in one part of the exchange's operations, and that clearly has to be dealt with."

He has started a review of the management, accounting systems and compliance procedures.

The troubles at Fox meant that a planned takeover of the New Zealand Futures and Options Exchange was unlikely to go ahead. "In the current circumstances, we will find it very difficult to proceed," Mr Thorpe said. However, he said the exchange would want to keep the possibility of a merger alive if it could.

It might also delay the return of the raw sugar market to open outcry trading. Raw sugar was moved to screen trading in order to boost flagging volumes at the beginning of the year, but the market decided last month to abandon screen trading.

BT announces further 16,000 redundancies

By Michael Cassell, Business Correspondent

BT yesterday announced a further 16,000 redundancies, following the disclosure in April that it expected to shed up to 40,000 jobs over the next few years.

The company said that the jobs would be lost within the next 18 months among engineering and clerical staff. It "earnestly hoped" they would all be achieved through voluntary redundancy and natural wastage.

It emphasised that the manpower reductions were not caused by the recession.

BT, formerly British Telecom, said the job losses were the result of recent progress in modernising the telephone network.

With much of the work on installing computer-controlled exchanges completed, fewer engineers were required. The improved network also reduced the need for maintenance and administrative staff.

Details of redundancy terms were recently agreed with the unions involved, and work on identifying the areas for job losses has begun. The first jobs could go almost immediately.

The National Communications Union, which expects 7,000 of its members to lose their jobs, said there would be cuts throughout the country. But most of the redundancies were expected in London and the south-east.

The NCU believes about 12,000 of the 16,000 jobs will be lost by next March, although BT said it expected about 5,000 voluntary redundancies by then. The union said BT had agreed that employees who remained with the company would have their wages and conditions protected for the next four years, even if they were redeployed to a lower-grade job.

At the start of the company's financial year in April, BT employed 227,000 people. But there have since been job cuts.

It has subsequently announced that 7,500 jobs are to go among telephone operators by March 1994, because of the loss of business that followed the introduction of charges for directory inquiries and because of equipment modernisation.

In its last financial year, BT shed 18,000 jobs, one third of them involving middle management.

In spite of BT's denials that the latest reductions were connected with the recession, Mr Tony Blair, shadow employment secretary, said the job losses represented further evidence of the effect of government policies on the economy.

Asda job losses, Page 10

End of a long and winding road

By Robert Rice, Legal Correspondent

APPLE Computers and Apple Corps, the Beatles' record company, yesterday reached an amicable agreement to discontinue their year-long, multi-million-pound legal battle over use of an apple as a logo.

The settlement was not disclosed, since part of the agreement, Mr Gordon Pollock QC, for the record company, told the High Court, was that terms of the settlement should remain confidential. "It has been a long, hard road," he said. The court was not asked to make any order on costs.

The settlement was reached after a 116-day High Court hearing and a 10-day diversion to the Court of Appeal.

Apple Corps was seeking worldwide ban on the use of the apple logo on equipment designed for synthesising music by the California-based computer group.

At the centre of the dispute was the Midi – musical instrument digital interface equipment designed to synthesise music, made and sold under the apple mark by Apple Computer.

Apple Corps claimed that the computer company had broken a 1981 agreement between them setting out the computer company's rights in relation to the Apple trademark.

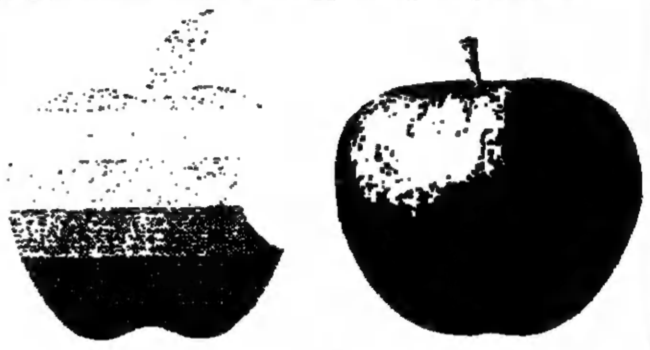
The object of the agreement had been to ensure that Apple Computer could use its apple trademark in relation to computers, while ensuring that such use did not impinge on Apple Corps' use of its mark in the music sphere.

Apple Corps, which has trademark protection in 27 countries for its distinctive apple logo, was seeking damages for breach of the 1981 agreement and an injunction restraining Apple Computer from further breach of the agreement by trying to have its logo registered in the UK.

Apple Computer argued that the agreement was unenforceable and that Apple Corps' claim to enforce it was in breach of the Treaty of Rome.

Apple Corps is owned by the three surviving members of the Beatles – Paul McCartney, George Harrison and Ringo Starr – and by the estate of John Lennon.

Beatles records have been marketed on the Apple label since 1968.



Strings attached: Apple Computer (logo on left) has reached a secret deal with Apple Corps (logo, right)

Germany joins engine group to power Merlin helicopter

By Paul Betts, Aerospace Correspondent

GERMANY is joining the Rolls-Royce collaborative engine programme to power the Royal Navy's new EH101 Merlin anti-submarine helicopter.

The helicopters are to be built by Westland and Agusta of Italy under a contract managed by IBM.

Motoren und Turbinen-Union (MTU), the engine subsidiary of Deutsche Aerospace, is expected to sign a letter of intent later this month to co-operate in the programme to build the RTM322 helicopter engine.

The RTM322 is currently being jointly developed by Rolls-Royce and Turbomeca of France. Piaggio of Italy is also in the programme.

The engine programme is designed for application on a wide range of helicopters including the Sikorsky Black Hawk, the McDonnell Douglas Apache and the proposed European NH90 tactical transport and naval helicopter.

MTU and Rolls-Royce already collaborate on the EJ200 engine for the future European Fighter Aircraft and the MTR390 engine for the Franco-German Tiger anti-tank helicopter. In civil engines, Rolls-Royce and MTU are partners in the V2500 programme which powers the Airbus A320/321 and the McDonnell Douglas MD90 airliners.

Rolls-Royce has recently forged a strategic partnership in civil aero-engines with another German company: the BMW car group.

NUM recommends overtime ban

By Lisa Wood, Labour Staff

DELEGATES at a special conference of the National Union of Mineworkers voted yesterday to hold a ballot next month recommending a full overtime ban with no safety cover. The move was in protest at British Coal's refusal to negotiate on pay with the union.

The NUM has refused to negotiate with British Coal since 1984-85 because of the corporation's insistence that the rival Union of Democratic Mineworkers should negotiate on behalf of pits where the NUM is in a minority.

Delegates voted yesterday by 36 to 22 to hold the ballot. The NUM wants British Coal to open talks on its pay claim, submitted in August, for an increase in basic pay, consolidation of incentives and bonuses into the basic wage and an increase in holidays.

The ballot decision was described as "potentially suicidal" by British Coal. Mr Kevan Hunt, director of employee relations for British Coal, said that, with the coal industry fighting for survival in the marketplace, any action would be self-defeating.

THE GUINNESS TRIAL

Roux tells jury of limits on knowledge of indemnities

By Raymond Hughes, Law Courts Correspondent

IT WAS never intended during Guinness's bid for Distillers that Distillers shareholders should know about indemnities being offered to supporters of Guinness's share price, Mr Olivier Roux said yesterday.

Mr Roux, former Guinness finance director, said indemnity arrangements for supporters recruited by Mr Roger Seelig had not been put in writing, referred to the Guinness board or its acquisitions committee, or cleared with the company's lawyers.

Questioned by Miss Elizabeth Gloster QC, prosecuting, he said the merger agreement, under which Distillers undertook to pay Guinness's bid costs if the bid failed, had not covered losses by Guinness on the sale of its or Distillers' shares, or similar losses by Morgan Grenfell, Guinness's principal merchant banker.

Miss Gloster asked if Guinness had received legal advice on that agreement.

Mr Roux said it had been drafted by Freshfields, Guinness's solicitors. The agreement, including the indemnity arrangements, had been disclosed in Guinness's offer document.

He said the company had not taken legal advice about arrangements to cover losses incurred by supporters recruited by Mr Seelig.

Mr Roux was continuing his evidence on the 12th day of the trial in which Lord Spens, former corporate finance managing director at the Henry Ansbacher merchant bank, and Mr Seelig, former corporate finance director at Morgan Grenfell, are accused of dishonest involvement in an unlawful share support operation mounted by Guinness during the 1986 takeover battle for Distillers.

They are jointly charged with conspiring to induce Distillers shareholders to accept Guinness's offer. Mr Seelig faces another charge under the 1958 Prevention of Fraud (Investments) Act and two of false accounting. Lord Spens faces one false-accounting charge. Both plead not guilty.

Mr Roux said he had been told that the use of supporters and indemnity arrangements was widespread in hostile takeover bids at the time. Miss Gloster asked who had told him that.

Mr Roux said his sources had included Mr Anthony Parnes, a City stockbroker, and Sir Jack Lyons, a millionaire financier. He added that, as far as indemnities were concerned, he had imagined that "in this world no one does something for nothing".

The trial continues on Monday.

- The case against Mr Thomas Ward, a US lawyer and former non-executive director of Guinness, has been transferred from Bow Street magistrates court to the Old Bailey. Mr Ward is charged with the theft of £5.2m from Guinness, false accounting and dishonestly procuring the execution of a valuable security by deception.

Tax staff threaten industrial action

INLAND REVENUE staff may ban overtime and work to rule if they fail to reach agreement on pay issues within the next six weeks, Lisa Wood writes.

A ballot of members of the Inland Revenue Staff Federation, which represents tax workers at all levels except the most senior grades, is expected on Monday to indicate acceptance of a 6.5 per cent pay offer which the membership had rejected in August. The union believes the ballot will also show support for industrial action.

The union said there was resentment over a system of performance-related pay, and added that the membership was likely to take some form of industrial action if, before the end of November, there was no satisfactory outcome on performance-related pay and other issues.

Challenge to SFO powers

THE POWER of the Serious Fraud Office to compel people to answer questions has been challenged in the High Court by Mr Wallace Duncan Smith, chairman and joint managing director of Wallace Smith Trust, who has been charged with fraud against creditors amounting to at least £97m.

He challenged a notice issued by the SFO after his arrest requiring him to attend for questioning. His lawyers argued that it violated his right against self-incrimination. The SFO said its notice was validly issued under its powers under section 2 of the 1987 Criminal Justice Act. The court reserved its decision to a later date.

Judge warns Blue Arrow jury

THE BLUE Arrow fraud trial may continue into the New Year, the judge, Mr Justice McKinnon, warned yesterday.

The jury has already sat for 128 days since the trial began on February 11 this year. The trial resumes on Monday, when the court will hear the first of the defence evidence.

Ferguson TV factory to close

THOMSON Consumer Electronics of France is to close its Ferguson television factory in Gosport, Hampshire, with the loss of 700 jobs, marking the end of Ferguson's UK manufacturing activities.

Thomson, which bought Ferguson from Thorn EMI in 1987, said the closure was the result of the poor UK market for televisions and satellite decoders.

Lawyer sentenced to two years

A CANADIAN lawyer was yesterday sentenced to two years in jail for his part in a worldwide fraud that netted hundreds of millions of pounds.

Southwark Crown Court was told that Mr Harold Linden claimed to represent a respectable Taiwan investment company. The prosecution alleged that he took a ½ per cent commitment fee or a £5,000 deposit for "international processing" but loans he promised to obtain never materialised.

Mr Linden admitted two specimen charges of procuring a valuable security by deception and two of obtaining property by deception.

Rover ballot

MORE than 1,000 staff at Rover in Cowley, Oxfordshire, are to be balloted on strike action next week over compulsory redundancies among white-collar workers.

Share issues rise

SHARE issues announced by UK borrowers in the first nine months of 1991 came to £25.7bn, compared with £19.9bn in the whole of 1990, the Bank of England said yesterday.

School fees up

PRIVATE school fees rose by about 10 per cent in the past year, according to the Independent Schools Information service. The increase is in excess of prevailing inflation, but down on the record 12.5 per cent increase last year.

LEADER'S SPEECH

Major pledges no privatisation of health service

By Ivor Owen, Parliamentary Correspondent

A FIRM PLEDGE that the National Health Service will not be privatised while he remains prime minister was given by Mr John Major yesterday, when he assured cheering Conservatives he intends to keep his hold on 10 Downing Street.

It was the centrepiece of one of the most combative passages in his first conference speech as party leader, which in content and delivery appeared to have been designed to underline the departure from the flamboyant Thatcher era.

Mr Major cited his own advance from a rundown property in Coldharbour Lane in inner-city Brixton to the most prized political address in Britain as evidence of the choice available to all under Conservative rule.

Stamping his own leadership on the party, he staked his personal reputation on overcoming the sustained Labour campaign alleging that a fourth successive Conservative election victory would result in the NHS being privatised.

To loud applause, Mr Major promised: "There will be no charges for hospital treatment, no charges for visits to the doctor, no privatisation of health care, neither piecemeal, nor in part, nor as a whole".

He stressed: "Not today. Not tomorrow. Not after the next election. Not ever, while I am prime minister".

Mr Major claimed that Labour leaders would be descending to the "gutters" if they persisted with their privatisation "lies" after such a specific pledge.

He identified a single phrase encapsulating the Conservative programme for the 1990s – "the power to choose – and the right to own".

The prime minister maintained that it was a programme based on fundamental Conservative beliefs and values, and exemplified in a strong Britain that was confident of its position, secure in defence and firm in its respect for the law.

Conservatives could also offer a strong economy, free from the threat of inflation, in which taxes – including estate duty – could fall, savings could grow, and independence was assured.

Spelling out the range of choice the Conservatives aimed to provide, Mr Major said he wanted to give:

- Individuals greater control over their own lives;
- Every mother, every father, a say over their child's education;
- Every schoolchild a choice of routes to the world of work;
- Every patient the confidence that their doctors could secure the best treatment for them;
- Every business and every worker freedom from the destructive dictatorship of union militants;
- Every family the right to have and to hold their own private corner of life; their own home, their own savings, their own security for the future – and for their children's future.

He said those measures would build the self-respect that comes from ownership, showing the responsibility that follows from self-respect.

Mr Major referred to his own experience of unemployment when acknowledging that times had been "tough" for those who had lost their jobs and seen businesses collapse.

He endorsed the judgment of Mr Norman Lamont, the chancellor, that the "way out of recession" could now be seen, and looked to the recovery that would bring investment.

The prime minister also joined with Mr Lamont in envisaging that a fourth Conservative election victory would lead to further tax cuts.

Lower taxes, he said, would allow people to save and invest in the future through building up a pension and starting businesses.

Mr Major reinforced expectations that reductions in estate duty would be among the tax cuts by declaring: "I want to see wealth cascading down the generations."

He insisted: "We do not see each generation starting out anew, with the past cut off and the future ignored".

Highlighting the announcement that Britain's annual inflation rate had fallen to 4.1 per cent, he said: "For the first time in a generation, we have brought inflation down to German levels."

Dealing with developments in the European Common Market, the prime minister reaffirmed that the introduction of a single currency must be subject to a treaty providing for a separate decision to be taken – "not now but at a future date" – by the British government and the British parliament.

To sustained applause, he declared: "It is our decision. A single currency cannot be imposed upon us. And I would not accept, on behalf of Britain, any treaty which sought to do so – at however distant a date." He repeated assurances that the government would not bow to federalist pressures in the EC.

In a reference to the December's Maastricht meeting, he said there were no circumstances in which a Conservative government would give up the right to take the crucial decisions "about our security, our foreign policy and our defence".

He said there could be no guarantee of agreement at Maastricht. "I shall put the interests of our country before any agreement. Not any agreement before the interests of our country."

Tony Andrews

John Major: advocated a programme based on fundamental Conservative beliefs and values, spelling out the choices his government aimed to offer

The soft-spoken friend drops in

Ivo Dawnay observes his reception

NOTHING could have been more appropriate than the spontaneous chorus of "For He's A Jolly Good Fellow" and the three hearty cheers that marked the end of the applause for John Major's debut as leader on the Tory party conference rostrum.

This was a good fellow's speech, the testament of the decent bloke, the trusty colleague, the reliable friend. It appealed to the generosity of its listeners, and, for the most part, it got it.

While some of the audience – the stormtroopers of the Mrs Thatcher's militant Toryism – discreetly bemoaned the lack of high-volume, flag-waving triumphalism, others welcomed the change.

For Mr Desmond Harney, a councillor from Chelsea, it was the very lack of patriotic fervour that came as relief. "All that had gone too far," he said. "There was instead a matter-of-fact, homespun practicality that was refreshing."

Others fell between. Mrs Kitty Cartwright and Mrs Doris Smith, two grey-haired ladies down from Middlesbrough, confessed a twinge of disappointment. "We could have done with a bit more fire," Mrs Smith said.

Mr Major started as he meant to go on. With obvious but effective symbolism, he arrived not from the monumental platform but from an obscure corner of the room, as if he had just dropped in off the street on his lunchbreak.

He left the same way, backslapped, handshaken, and grinning from ear to ear like the unexpected winner at a school sports day.

Stagehands had repositioned the rostrum, projecting it into the auditorium, somehow distancing the prime minister from the grandees on the platform behind him and identifying him more closely with the crowd below.

When he began to speak, the low-volume amplification and the conversational delivery forced the packed Ballroom to strain to hear. An atmosphere usually as boisterous as a beer garden was transformed into a tea room hush.

Mr Major started on a self-deprecating note – "This is the first time I have had to fight my way *into* a hall" – and carried on in a similarly modest note.

His memories of standing at the back of the hall as a young man, his apparent amazement at his journey from Brixton's Coldharbour Lane to Downing Street and Kennebunkport exhibited the classic English virtue of understatement taken to an epic scale.

Where Mrs Thatcher paraded high-tension passion and global vision, her successor put over low-energy patriotism, with a gauche, even provincial charm: the gladiator replaced by the cricket spectator.

For many of the professionally neutral – the commentators and analysts – it was all too anti-climactic. "They have made the very best of a poor platform speaker," one said.

Perhaps revealingly, however, the chief criticism of Mr Peter Mandelson, Labour's former image-maker, was that Mr Major made too little of his qualities as the ordinary bloke made good.

Maybe so. But it is equally arguable that it was Mr Major's very artlessness, his lack of glamour and his solid, "jolly good fellow" reliability that was the real message of the speech.

BROADCASTERS

Viewers urged to 'jam switchboards'

By Alison Smith

MR CHRIS PATTEN, the Tory party chairman, yesterday urged representatives to "jam the switchboards" by telephoning broadcasters to complain if they thought television or radio programmes were being biased and unfair.

His call delighted representatives and silenced critics who feared that he was too fastidious for his job.

The telephone numbers of traditional Tory targets such as Panorama and the BBC radio programme Today would be published in the next edition of the monthly Tory newspaper for ease of reference, he told his cheering audience yesterday.

"When you're angered, tell me by all means, but most of all tell them. . . phone them on the spot. If necessary, jam the switchboards," he said.

"We're not asking for Conservative broadcasting but what we do have a right to expect is fair broadcasting."

The initiative comes against a background of criticism of the BBC by senior ministers and by Mr Major himself.

Mr Patten's rallying speech was directed primarily at the Tory activists in the conference hall, rather than any wider audience.

The most heartfelt applause of the morning was for Mr Patten's commitment to the party organising in Northern Ireland, a decision forced on the party by conference two years ago.

He also promised moves towards greater openness in Tory party accounts, and more details about how the money was spent.

Mr Patten, the pre-prandial warm-up speaker before Mr John Major's address to conference, was careful not to upstage the principal act, and disclaimed any intention of entering the applause lists in his second speech of the week. His seasoned campaigner's peroration still won him a standing ovation of just under two minutes.

CHILD PROTECTION

Call for castration of offenders

CASTRATION was only one of the suggestions for dealing with child abusers to which Mrs Virginia Bottomley, the health minister, had to respond yesterday as conference debated child care, Emma Tucker writes.

Unlike the measured Mrs Bottomley, who set out her vision of a child welfare system in which children came first, Mr Geoffrey Dickens, the outspoken MP for Littleborough and Saddleworth, called for the castration of child abusers and rapists – a suggestion that went down well with delighted representatives.

"If you want to stop child abuse and the rape of women pass some legislation and on the second offence – not the first, in case there is a mistake – put it before parliament that we castrate the buggers," said Mr Dickens.

He said "streetwise grannies" should be encouraged into social services, rather than polytechnic students with humanities degrees.

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Dream time for industry

"ENTERPRISES that knew, in the late 1980s, that the Conservative government was their friend and champion, on a number of occasions over the past year or so expressed their dismay. Many expressed this to me personally." Thus, Mr Peter Lilley, trade and industry secretary, in a glumly honest foreword to "the government's industrial strategy", 50,000 copies of which have been despatched this week to doubters around the country.

Mr Lilley is right to worry. It is scarcely possible to get past the boardroom aperitif, without someone piling into Mr Lilley, widely held to epitomise Thatcherism's too-clever-by-half strain. Some captains of industry even threaten privately to vote Labour; others have voted with their purses, to the chagrin of the Conservative party treasurer.

Given the severity of the recession – and the clear culpability of the government in it – it is not surprising that industrialists are displeased. They are also broadly impressed with Labour's economic team and think the party will be especially good for some business sectors, such as construction and civil engineering. Now that both major parties agree there is no alternative to an economic policy corseted by the European exchange rate mechanism, perhaps there is also less need to worry about reckless Labour chancellors.

Another consequence of ERM membership is that it has allowed a further shift in the debate about economic performance from macro to micro issues, such as competition policy, infrastructure, education, training and research and development. In one sense, therefore, Mr Lilley's document is an attempt to match Labour's policy shopping list, by setting up a "technology audit scheme" here and an "innovation unit" there. In these circumstances, a harsher light is trained upon specific government actions, such as the dithering over the Channel tunnel link, which had its unhappy issue this week, and which says more about government transport policy than any number of speeches.

Loss of confidence

The more serious question from the prawn cocktail circuit, however, is whether the current industrial yearning for something different represents a genuine loss of confidence in the central tenets of Mr Lilley's (and Mrs Thatcher's) approach to industry, with its primary emphasis upon lower direct taxes, laisser faire and a forceful competition policy of the kind belatedly applied this week in the case of gas.

The disgruntled industrialist, however, is inclined to take most of the above for granted – a misjudgment of Labour in the case of competition policy, but then big business is often in two minds about cartels. The standard grumbles are interest rates, undermining of the export credit guarantee system, inadequate fiscal incentives for investment and failure to promote the interests of national champions, like ICI, British Airways and Rolls-Royce, although in the last case, there is an addendum that BA has inflicted irresponsible damage on Rolls by its recent decision to buy US engines.

Philosophical thread

In so far as this argument has a philosophical thread, it tends to express itself as a yearning for a more German or Japanese approach to industry. Move the same industrialist on to a discussion of the European Community, however, and you will be scolded about the insupportable extra costs of the social charter and the fact that it is part of a German plot to inflict that country's uncompetitive, short working hours and high welfare costs on the rest of the Community.

All of this is normal human psychology. Industrialists want the best of both worlds – a bargain as unobtainable in business as any other department of life. Perhaps by moving its operational headquarters to Brussels, but keeping its corporate headquarters in St Helens, Pilkington has its eye on just such a mirage.This cross-eyed, mid-Atlantic perspective has, of course, been a central feature of British political and economic life for decades, so it is not surprising that a governing party which has spent much of its recent energies looking west rather than east should now be trying to sound more European.

But the fact that Britain has opted for an anti-inflation policy anchored to the German central bank does not make it possible for its government to deliver a German-style business environment, complete with an approach to corporate governance which includes powerful banks and engaged but disciplined trade unions. If evidence is required, watch Vauxhall and Ford agree inflation-plus pay deals for their UK factories, as if the ERM had never happened.

Corporate dining room orators should not be taken too seriously. Any party which can plausibly offer to get competition and infrastructure policy right, within the ERM framework, will be promising most of what industry needs.

John Major has made himself the Tories' main asset, says Joe Rogaly

He did it his way

It was Mr John Major's big moment. He lived up to it. His speech at the Conservative party conference yesterday has established him as the effective leader of a party that knows it has a fight on its hands, but is once again confident that it will win. The prime minister can now reasonably claim to have captured the allegiance of his party's activists. That puts him level on that score with the leader of the opposition, Mr Neil Kinnock, of whom much the same was said after the Labour party's successful conference.

Mr Major did it in his own manner. His was not a finely-constructed speech. There was little intellectual rigour in it. You could say that it rambled. No matter. Its overall effect was precisely what was intended: to project the new prime minister as a man of the people, reliably Tory, and yet completely different from his predecessor. The theatrical sparkle of Mrs Margaret Thatcher would have no more suited his personality than would an attempt to emulate the oratorical skills of Mr Michael Heseltine. Characteristically, Mr Major chose to make the most of his personal unique selling points. The man who transformed the prospects of the Conservatives 10 months ago simply by being a leader who was not Mrs Thatcher now proposes to win the next election on the ground that he is not Mr Kinnock.

This is of no little significance. The prime minister's very ordinariness, his projection of the qualities of honesty, decency and quiet determination, have earned him widespread public support. In a truly presidential system, with Mr Major running against the leader of the Labour party, Mr Kinnock would come a very poor second.

Clearly the Conservatives are relying on such arithmetic. Their chairman, Mr Chris Patten, has long ruminated on the effect a prime minister's popularity can have on pulling in votes for his party. It has not worked all that well in the past – Mrs Thatcher was very unpopular when she was first elected in 1979 – but perhaps in present circumstances it can make a difference.

Thus Mr Major's speech was deeply personal. "Trust me," it said, echoing Mr Patten's affirmation earlier in the week that trust was the essence of a true Conservative's philosophy. Voters are therefore invited to accept his declaration that there will be "no privatisation of health care . . . while I'm prime minister". The power of this televised oath will be measured quite quickly, when the next few crops of opinion polls tell us whether many people have been persuaded to set aside their suspicion that privatisation is just what the Conservatives have in mind.

The prime minister also invoked trust in himself as a means of bringing a divided party together on the question of Europe. He would not, he said, sign any agreement making Britain part of a European federation, nor would he accept the "imposition" of a single EC currency. These are long-held positions, presented as those of a man on whose word you could rely. There was no guile in the language; no too-clever-by-half phraseology – just a straight declaration of broad principles. Arguments about the precise meaning of the word "federation", or indeed its utility, are left for others. The guile and the cleverness, if such are in prospect, will come in the small print, which very few people will read and fewer will understand.

Trust was again the essence of foreign policy. If Mr Major is trusted for being a common man, the foreign secretary, Mr Douglas Hurd, is trusted as a patrician and a professional. The prime minister was careful to draw attention to Mr Hurd, and to contrast his image with that of the opposition spokesman on foreign affairs, Mr Gerald Kaufman. This is the language of the street fighter, not the fastidious international statesman. It was not the finest part of Mr Major's speech. Yet to a Tory audience, the message had considerable force.

The selling of himself apart, Mr Major's chosen election strategy is that the party should play to its traditional strengths, and add in the "social" elements of his particular brand of conservatism. In consequence, the package he offered yesterday was not new. Trust the Conservatives on defence, it said. Trust the government to manage the economy, and keep inflation down. Trust the Tory belief in "the power to choose, the right to own," and in lower taxes (here there was a strong hint of a reduction in inheritance tax).

He was especially strong on education, where he struck a popular chord, (and also played well to my own prejudices), by attacking "progressive" teaching and expressing a determination to equip even the most deprived children with basic skills. "It is a long road from Coldharbour Lane to Downing Street," said Dick Whittington Major, uttering his autobiography in a phrase. Corny as it may be, it has the advantage of verisimilitude.

The prime minister's speech rescued what was otherwise a so-so Conservative conference

In short, the speech rescued what was otherwise a so-so Conservative conference. This is useful, coming as it does at the conclusion of a fortnight of mock electioneering during most of which Labour has enjoyed widespread admiration for its mastery of political strategy, its presentational skills, and its construction of a platform that is based on the proposition that government intervention can do you good.

We can now see what the election campaign would have been like had there been a contest next month, not to mention what it will be like if the voting takes place, as I still think it will, on May 7 next year. The two main parties are more or less neck-and-neck in the polls (Labour's slight advantage being within the margin of error). Labour is managed by a battle-trained tribe of shadow ministers who have thought it all through. It outperforms the Tories in many if not most set-piece political confrontations.

The government has the prime minister. Under his direction, it is standing on its record since 1979, plus the embellishments he introduced this year. Wisely, a veil is drawn over the period 1987-1990. The Labour party is standing on the proposition that it is time for a change, and that the effect of a change to Labour will range from harmless to mildly beneficial.

Contrary to the conventional wisdom, the net result is that voters will be offered a clear choice. Continue with Mr Major's emollient Thatcherism, or go for Mr Kinnock's emollient social democracy, or state "neither of the above" by abstaining or voting Liberal Democrat. The broad economic effect is the same either way, since it will be determined by Britain's participation in the European exchange rate mechanism, to which all parties subscribe. For the rest the differences are manifest.

If that was all there was to it, Labour might be set to topple the Conservatives by depriving them of an overall majority. For Labour's policies, reflected over two years in the mirrors of a thousand polls and polished to suit, are undoubtedly popular. Mr Major may know his party's strengths, but on most domestic issues, including health, education, training, industrial "partnership", social welfare and the like it is Labour that has the electorate's trust.

The Conservatives must therefore rely on arithmetic, and luck. Arithmetic still favours them, since an improvement of only 3 or 4 percentage points in their standing in the polls could put them on course to victory. That is a measure of Mr Major's achievement. When he took office, Labour was crushingly ahead.

As to luck, the Conservatives need to avoid several by now well-signposted hazards. The first is a row, or a Thatcher outburst, on Europe. Yesterday's speech indicated how well aware Mr Major is of the danger. Events always rule, but to the extent that individual politicians can insure themselves against disaster, the prime minister is doing his best. I suspect that it will be good enough. A second hazard is next year's crop of poll tax bills. Never mind that it is to be the last: the government will put its hand in our pockets one more time to buy our votes. Sure it will.

A third hazard is that the recession may not end early enough to enhance Conservative support to the necessary degree. It is too late to do much about this. The course is set. And if confidence does not return in time the Conservatives will be in some danger of losing their majority to a hung parliament. But that is the gamble you take when you make yourself the pivotal point of an entire party's election strategy.

Politics and the pound

Tony Jackson on a bumpy week for the London markets

It has been another bad week for the London markets: shares down, gilts down, sterling in the doldrums. The reason is, of course, politics. Labour's leader Mr Neil Kinnock did well in Brighton, the Tories not so well in Blackpool. The election is not for months yet. Are the markets going to carry on like this until polling day?

The short answer is yes. From now on, the City is bound to inspect the government's every action through an electoral microscope. Its old atavistic preference for the Tories is not about to change. From now until the spring, the single most important influence on the markets is likely to be the opinion polls.

There is a paradox here. The argument as to whether markets do better under Tory or Labour is old and inconclusive. But there is a new element: the general agreement among fund managers, brokers and currency analysts that it matters less who wins the next election than at any time for decades.

Much of this has to do with Labour's commitment to membership of the European exchange rate mechanism, which is seen as tying its hands in monetary and even fiscal policy. But there is a wider feeling abroad, which might be termed one of resignation. The City will vote Tory; but it recognises the Tories may have had their innings.

The feeling extends to a surprising number of Britain's industrialists. The chairman of a big conglomerate remarked privately this week that while he would be voting Tory himself, he found the members of the cabinet individually less impressive than their shadow counterparts. According to the head of one of the UK's biggest food companies, Labour's best chance lies in the British sense of fair play.

None of this means the markets can contemplate a Labour victory without flinching. Part of the paradox may be due to what might be termed secondary expectations. If you are an investor, as Maynard Keynes would have pointed out, what you think of a Labour victory does not matter. The important thing is what you think others are going to think.

Another reason may be more deep-seated. However dispassionately the brokers and money managers may calculate the odds for gilts and equities under Labour, the importance of sentiment in the markets must never be forgotten. The 1980s were a quite extraordinary decade for the City: markets boomed, salaries rocketed and tax rates plunged. It is a period forever identified with the Tories. For its beneficiaries, life under Labour would be a step into the dark.

But however deeply the markets care about the election, that does not in itself make them the best judges of the outcome. They are eminently qualified to make predictions on the UK economy, which certainly has a bearing on the electorate. But as the City itself recognises, there is more to politics than economics.

The most detailed recent work on this topic comes from the stockbroking firm Lehman Brothers International. A mathematical study of a wide range of historic variables leads Lehman to conclude that economics is even less important than the City thinks.

"As economists," says Helen Dunn of Lehman, "we simply can't say all that much about the election. In accounting for the Tory-Labour gap in the polls, the economic variables are not that important. The historical correlation between, say, the mortgage rate and the Tories' standing in the polls may look persuasive, but it isn't that simple."

Thus, Lehman's projections for the state of the economy by next spring suggest a lead for Mr John Major over Labour of just 3 percentage points. Anything more will have to come from politics pure and simple – his appeal versus Mr Kinnock's, the international situation, the luck of the draw.

But perhaps the market should be taken seriously as a political indicator on other grounds. Granted, the people who move the markets belong to a pretty narrow group: what the market researcher would call AB men aged 35 to 65, living in London and the south-east. But they follow the opinion polls closely, and their money rides on their judgment. And as the investment theorist will tell you, all relevant information is reflected in the market price.

According to Mark Brett, the head currency strategist at BZW, the smart money is usually right. "The peak for sterling in the mid-1980s was on election night in 1983. The next peak was on election night in 1987. In both cases it dropped sharply thereafter, so you could say the pattern is for the market to forecast election results correctly and then over-discount them."

On the other hand, the importance of elections weighs more with sterling investors at home than abroad. "Foreigners take a slightly wary view of policy in the UK. They tend to notice that in each of the last recessions, Labour or Tory, sterling has depreciated by just 13 per cent in the next 12 months after the recession bottomed. When it comes to Tory versus Labour, foreigners are much more pragmatic."

If UK investors followed their example, they might have more time to devote to rational analysis. But in the world of the markets, old habits die hard. Roll on the next opinion poll.

MAN IN THE NEWS

George Russell

Fine-tuner who will change the old channels

By Raymond Snoddy

Mr Kenneth Baker, the home secretary, relaxed by the bar at the recent Royal Television Society convention at Cambridge with a pint of lager in his hand and said emphatically: "He's a good man, George Russell."

Mr Baker had just tried to convince a sceptical television industry audience that the government's controversial decision to reallocate ITV franchises by competitive tender would produce leaner companies without a loss of programme quality for the viewer.

The home secretary's opinion of Mr Russell, the Gateshead-born businessman who is chairman of Marley, the building products group, and chairman of the Independent Television Commission, is shared by many inside and outside the industry.

Anyone interested in the future of British television, from politicians anxious to avoid offending voters by undermining their commercial television system, to television executives desperate to know whether they are going to lose their jobs – is now turning in the direction of the mild-mannered but very determined George Russell.

Just before 10am on Wednesday, 40 broadcasters and would-be broadcasters will find out whether Mr Russell has "got it right" when the faxes from ITC headquarters in London's Brompton Road start shooting out to all corners of the UK.

It was Mr Russell's idea to use the fax on a working day in the middle of October rather than, as happened during the last franchise award in 1980, have winners and losers milling about with journalists in Brompton Road on a Sunday just after Christmas.

Watching a fax edge slowly out of a machine line by line may seem a harsh way for companies to find out whether they have got a future or not. The ITC chairman, characteristically, decided it would not only be the most efficient way to break the news but also the kindest. Losers could do their losing in the privacy of their own offices and would be able to tell staff.

Throughout the long franchise process the hallmark of his actions has been "the minimum amount of fuss, the minimum amount of hurt". Recently, Mr Russell, who will be 56 this month, spelled out how he approached the task of taking ITV apart and putting it together again.

"We have got to do all we can to minimise fear in the management of change," said the man who, partly by coincidence and partly by choice, has spent his career coping with companies or institutions at times of stress or transition.

His forte is identifying a path forward and then sticking to it. Tough decisions are not ducked. In 1982, Mr Russell effectively restructured the aluminium industry by buying the loss-making British Aluminium and merging it with Alcan Aluminium, where he was managing director, to create one profitable business. Soon there were closures and 1,200 redundancies. He said simply that his action had avoided even more job losses.

With aluminium he was responsible for one of the shortest bills to come before the House of Commons – a single-clause bill involving the aluminium industry and water rights for a plant in Scotland. In the past couple of years he has also been involved in one of the largest and most complex, the broadcasting bill that became law last November.

It is almost as if Mr Russell, like a Gateshead greyhound, has been specially bred and trained for the long-distance franchise race he is now completing. Since 1979, as his business career has developed, so has his knowledge of the regulation and structure of broadcasting, first as a member of the Independent Broadcasting Authority, then as deputy chairman of Channel 4, chairman of ITN, and chairman of the IBA and its successor, the ITC.

Mr Russell may not have approved the initial tender criteria – franchises going to the highest bidder – chosen by the government to restructure ITV. But he had no doubt whatsoever that change in the industry was needed. The ITV companies simply had to become more efficient and flexible to cope with competition from new channels.

In May 1989 when the government was already limbering up to tackle an ITV system that Mrs Thatcher once described as "the last bastion of restrictive practices", Mr Russell said his hope was that 80 per cent of the range and diversity of ITV programmes could be preserved.

His optimism has not changed. He thinks it could be even more than 80 per cent because channels such as Sky News have added to the diversity of British broadcasting. "There are more people producing programmes for TV in Britain than ever before and they have all got the same ethos. They want to make high-quality television and that is not going to change," he says.

Two years ago, Mr Russell threatened to resign if the government went ahead with a simple highest-bid auction. He got his way in introducing a great emphasis on quality, the concept of the "quality threshold", which all applicants have to pass before their bids are considered. At the end of the process there is also an "exceptional circumstances" clause enabling the ITC to disregard the highest bid if it choses. Mr Russell, who once led out a Marley-owned racehorse called Marley Lite, reached for racing metaphors to describe the quality threshold. Getting over the threshold was like tackling Becher's Brook, the most difficult fence in the Grand National, he explained.

It is now clear that the ITC is going to use its discretion on quality to the full. But the commission will also stick to the letter of the law. Anyone still believing that Mr Russell has a hidden agenda which allows deals to save favoured companies because they have a fine programme-making tradition could be in for a shock on Wednesday. And every stage of the process has been checked and double-checked by two QCs to ensure it is very difficult for outraged losers to take the ITC to judicial review.

All communications have been handled on paper and ITC members have been asked to limit their socialising until the decisions have been announced. Mr Russell himself has given up champagne and stuck to mineral water to keep his head clear for what he sees as a complex intellectual task.

When the faxes have all been digested and the full financial implications of the decisions absorbed he hopes he will have managed to restructure the commercial television industry just as he once did aluminium.

Commercial television, he believes, "is a major success story in this country". By the time the victory parties and the wakes are over Mr Russell will have moved on. He will be trying, against the odds, to find a workable structure for another government idea – Channel 5, the new national television channel due to be launched in 1994.

Judy Dempsey says few Croats believe the ceasefire will hold

Between words and war

Firing line: a Serbian volunteer crouches near an upturned car to launch an armour-piercing rocket during fighting at Vukovar

When Mr Hans Van den Broek, the Dutch foreign minister, announced another Yugoslav ceasefire agreement on Thursday night, the city of Zagreb was plunged into darkness.

The Croatian government sounded air raid sirens and imposed a black-out, not out of fear of an attack, but as a reminder to its inhabitants that the towns of Vukovar, Vinkovci, and Osijek in Slavonia, eastern Croatia, have been without food, water, and medical supplies for more than 50 days. Worse, they have been without peace. Solidarity for the people of Slavonia now touches the heart of every citizen in Zagreb.

The latest European Community-sponsored agreement, which stipulates that Yugoslavia's Serb-dominated federal army will leave the republic of Croatia within 30 days, subject to political negotiations, is seen by many Croats as another useless piece of paper.

The consensus among EC monitors, western military attachés, Croat and Serb liberals, is that Mr Slobodan Milosevic, the president of Serbia, will wreak havoc and destruction until he attains his goal of carving out a greater Serbia.

"We have seen how each time a new ceasefire is signed, Serbia and the federal army cynically ignore these agreements," one Croatian minister said yesterday.

He admitted, however, that Croatia itself often found it difficult to take the ceasefire accords seriously because it believed Serbia was intent on attaining its goal at the expense of any peaceful withdrawal.

The federal army has become a crucial partner in Serbia's aims. In recent months it has undergone a radical metamorphosis. When is attacked Slovenia last June, backed by the Serbian leadership, it did so to prevent this tiny alpine republic from quitting the Yugoslav federation. The federal army was then still committed to the idea of defending the territorial integrity of the federation.

But the Slovenes were well-armed, and the republic is ethnically homogenous, with no Serb minority to defend. So the federal army, and Mr Milosevic, drew back and turned their attention to the republic of Croatia which, along with Slovenia, declared its independence on June 25.

Since then, the army, through mass desertions from several republics, low morale and recruitment problems, has become a *de facto* Serbian-controlled army which has waged a war of total destruction on Croatia.

The war has already cost the Croatian government a year's equivalent of Gross Domestic Product, which last year totalled \$15bn. Thousands of refugees from towns and villages have fled to Austria, Hungary and Zagreb, leaving behind their bombed-out homes and a couple of pigs and cows.

In justifying its armed intervention in Croatia, the Serbian government argues that ethnic Serbs, who make up 11 per cent of the 4.5m population, do not want to live in an independent Croatia because they will face discrimination.

But western diplomats, Croat and Serb liberal intellectuals believe Mr Milosevic is using the Serb community as a shield to cover his expansionist intentions. "What Mr Milosevic is seeking is a greater Serbia which will be economically viable but politically authoritarian," a Serbian lawyer said.

Mr Milosevic realises that Serbia will become a pariah state if he attains his goal. He fears the EC will impose sanctions that will cut off oil supplies and spare parts to the army, as well as causing hardship to the Serbian people. To protect Serbia against this possibility he is feverishly trying to guarantee a secure economic future by holding on to the territories he has annexed.

With the support of nationalist Serb paramilitary units, Serbia and the federal army already control the agricultural plains of Slavonia, a swathe of territory in southern Croatia, and part of the Dalmatian coast. In all, a third of the republic is now under some form of military occupation.

Thus, as negotiations over the federal army withdrawing from Croatia drag on, few Croats believe that Serbia will reliniquish its control over regions it already holds.

"Serbia will recognise us as an independent state. But not before it has attempted to destroy our fragile democracy, destroy our economic infrastructure, and annex part of our territory to Serbia. I tell you, we will fight to regain those territories," an adviser to Mr Franjo Tudjman, the president of Croatia, said yesterday.

Many ordinary Croats hold this view and believe that the war will not necessarily end once the federal army leaves the republic. Indeed, many believe it will spread to the rest of Yugoslavia.

As the fighting yesterday continued unabated in Slavonia, the federal army and Serb paramilitary units tightened their grip over the north and eastern part of the central republic of Bosnia-Hercegovina, to the south of Croatia.

"The north of that republic is now *de facto* part of Serbia," a senior Bosnian official said yesterday. From these positions, Serbia, backed by the small, but uncompromisingly loyal republic of Montenegro, is carving out the western borders of the greater Serbia.

"It is now clear what Serbia wants," one western military attaché explained. "Economically, it wants access to the sea, access to the oil pipeline which runs through part of Croatia, and access to the rich plains of Slavonia." Politically, Serbia also wants to become the dominant force in what will arise from the ashes of the old federal Yugoslavia.

"This new force, which will have one of the largest armies in Europe, will consist of Montenegro, parts of Bosnia-Hercegovina, and part of Croatia's Dalmatian coast," the diplomat said. But, he added, "it will not be easy for Mr Milosevic and the army to hold on to these territories without more bloodshed and destruction."

A crucial role in the unfolding of events over the next few weeks will be played by the Moslem community, which makes up 44 per cent of the 4.3m population in Bosnia-Hercegovina. For months, the Moslems, led by Mr Alija Izetbegovic, the president of Bosnia-Hercegovina, have tried to remain neutral for fear that the republic would be carved up between Serbia and Croatia.

However, as Serbs consolidate their hold over parts of the republic, members of the Croatian government are anxious that Mr Izetbegovic give the order to impose blockades on federal army barracks in parts of Bosnia-Hercegovina.

But Bosnian officials have so far been cautious of provoking Serbia, and one Moslem warned yesterday that the republic would be drenched in blood if it did.

"The Serb army and Mr Milosevic will only be defeated if the Moslems have weapons, and if Croatia receives more weapons as well," said one senior Croatian official.

"We must break the back of the Serb army, not through negotiation, but through fighting. This is the only language left to us. The west will do nothing. We, and other republics, must attack the Serb army on all fronts so that it will be overstretched. It has energy supplies for only three months. We must cut it off from spare parts, and oil," he added.

The uncompromising language of war now dominates the media and the conversations of ordinary people in Croatia and Serbia. The fear of bloodshed grips Bosnia.

As the days go by, the gap between the language of peace and negotiation promoted by Mr Van den Broek in The Hague, and the violence being waged on Yugoslavia, becomes wider. The bridge between both sides is cracking.

Uneasy monopolists

Deborah Hargreaves on the competition facing British Gas

There was more than a touch of irony in the spectacle of Mr Peter Lilley, UK trade and industry secretary, winning loud applause at this week's Conservative party conference for promising to break the monopoly power of British Gas.

The announcement that British Gas would face competition in its domestic business came only days after the publication of Mr Peter Walker's autobiography in which the former energy secretary championed his decision to privatise the huge utility in one piece.

In 1985, Mr Walker advocated retaining British Gas as a private monopoly against the advice of Mr Nigel Lawson, the then chancellor. "I had decided the breaking-up of the corporation was lunacy and... I wanted a powerful British company that would compete around the world."

Now the government has decided differently. In as little as a year's time competitors may be allowed to attack British Gas in its most lucrative business – the supply of gas to homeowners. This fits with the idea of more consumer choice as embodied in the prime minister's proposed Citizen's Charter.

By agreeing to such radical surgery on British Gas operations, the government has clearly lost patience with its painfully slow metamorphosis into a fleet-footed private operator. Its annoyance with Mr Bob Evans, BG's chairman, became clear several months ago when Mr John Wakeham, the energy secretary, pressed the company to resolve a price row with power station customers.

That disaffection was also evident this week when neither the Department of Trade and Industry nor the Office of Fair Trading alerted British Gas formally to the appearance of the OFT report on Thursday. The company was thus left in a state of shock when news of the OFT's recommendations emerged.

The sweeping changes advocated by the report hit Mr Evans like a slap in the face. He is now faced with making radical alterations in the way British Gas views the market or seeing the company's market share eroded.

"There is no doubt that British Gas will lose a share of its profits if these changes go through," says Mr James McKinnon, director-general of the Office of Gas Supply, the industry regulator. "It needs to look for new businesses especially abroad and behave in a more entrepreneurial way towards opportunities in the UK."

Mr McKinnon has been a regular critic of what he calls the outdated British Gas corporate culture which still views the market from the standpoint of a monopoly supplier. He has recently lambasted the company over its resistance to supplying many of the growing number of independent power generating companies in the UK.

British Gas can make changes in its operations. If it does not do so by the end of the year it will be referred to the Monopolies and Mergers Commission which could force it to sell its pipeline operations.

If Mr Evans wants to pre-empt a £12bn sell-off of his pipeline and storage facilities – roughly two-thirds of British Gas assets – he will be quick to hive them off into a totally separate subsidiary. He will need to provide clear guarantees that the price BG charges for transporting gas through its system is the same for everyone.

While competitors are currently required to pay standard tariffs for the transport of gas through the British Gas system, the company itself does not reveal what it pays.

"Clearly a separate company means there is at least the potential for a level playing field on tariffs and access," said Mr Richard Newton, who heads British Petroleum's global gas division, one of BG's competitors. "Though British Gas struggles to do this now, it is almost an impossible task".

Control of the pipeline system also gives British Gas useful commercial information on the prices charged by its competitors which it can use to undercut them. In addition, the report points out that it has twice pre-empted competitors' investment plans for new pipelines.

British Gas's dominant position in the market and the long lead times required to develop new gas fields have kept rival suppliers to the margin of the market. Eight competitors to British Gas now supply 553 large corporate customers with 350m therms of gas a year, giving them less than a 3 per cent share of the industrial market.

Mr McKinnon says he would like to see these competitors accounting for three-quarters of this market by 1996 – 10 years after privatisation. By 1996, new gas fields will be available for competing suppliers and deliveries from Norway could provide more if the government goes ahead to sanction imports as the report recommends.

In the meantime, British Gas is called upon to release more of its own supplies to competitors which would then return gas from their own fields in future, when these come on stream. The increased availability of gas will deepen existing competition and could entice more rivals into the market.

Midlands Electricity is so far the only regional electricity company to brave the gas market, but at least two others are considering a similar move. The electricity suppliers are natural rivals to British Gas, particularly once competition is extended to households.

"The margins on this (domestic) business are huge and you can save millions by joint billing procedures," said Mr Roger Gill, managing director of Midlands Gas.

In addition, clearer prices for transporting gas through the pipeline system and the availability of storage facilities for gas will enable independent gas marketing companies to operate in the market.

Mr Alan Marshall, managing director of Agas, one of the UK's few independent gas marketeers, has complained that companies such as his have no access to gas storage, making it difficult to buy from small fields in the North Sea and sell in bulk – precisely the function these companies should provide. "Now we should have the same services as are available to British Gas."

In the long run, competition should reduce prices to end-users. Mr Lilley sincerely hopes he is buying a better deal for domestic consumers. Deregulation of the US gas industry has brought a rapid fall in price, but to such an extent that few companies have any cash left to invest in a deteriorating distribution system.

"In any case, UK gas prices are not out of line with those in Europe," said Mr Peter Nicoll, analyst at Warburg Securities. "What are you trying to achieve by changing the structure of the industry for the sake of it?"

In the short term, prices for commercial users of gas could increase substantially as British Gas' own costs rise. The company will have to cease internal subsidies for transporting gas through its own system if the grid is hived off.

Mr Lilley could find that the benefits to customers are slow in coming. He may have won plaudits this week, but some consumers might not be quick to thank him.

LETTERS

The district valuer and inheritance tax

From Mr Stephen Revess.

Sir, The FT published a chart (September 21) showing residential property values related to inflation, the last high being in 1988. My wife died suddenly of cancer in January 1989, (when 40 per cent inheritance tax level was reached at £110,000) and a flat valued by a surveyor at £115,000 passed to my two sons.

Imagine my astonishment and distress when I received an inheritance tax demand for £20,300 based on the district valuer's figure of £135,000, despite the recent sale of the property for £90,000, when it became vacant. The tax represents over 80 per cent of the sum above the tax band, made up of "grossing up" and compound interest. So much for 40 per cent inheritance tax!

I am a consulting engineer who spent his life working on community projects, paid tax on every penny earned, and now find my pension is to be depleted by (to me) a large amount, due to a quirk in fate and wicked application of inheritance tax law.

Stephen Revess,
15 Kempsford Gardens,
London SW5

Long-distance water supply a pipe dream?

From Mr Louis Dutoy.

Sir, I have just read, with outrage, the comment in your Lex column (October 9) that "water pipes leak so supply over great distances would be uneconomic".

Since the Romans could transfer water and the Industrial Revolution engineers could do the same without significant loss, and, moreover, in modern times we conduct oil vast distances without loss, what is the problem? It surely is not money. It must be stupidity.

I, for one, feel that I could do a much better job than the average water board director, managing or otherwise, at their old salaries, and would be only too glad of the opportunity to demonstrate how.

Louis Dutoy,
88 High Street,
Wootton, Northampton

UK industry unprepared for economic upturn

From Mr John Ewans.

Sir, As more surveys hit the headlines with glad tidings about the imminent end of the recession a question that needs to be answered is whether British industry will be capable of recovery, or has it sunk to such a level where its feet will be stuck in the mud for years to come?

As an industrial designer I deal with what is commonly agreed to be the life-blood of manufacturing industry, namely new products and product innovations. My experience over the last year and a half has been depressing. There seems to have been a very negative and short-term response to the current situation. Many companies, either because of lack of funds or foresight, have pulled in their horns to such an extent that they will be in no position to benefit from any upturn in the economy.

Recently I visited more than one significant British manufacturer that has laid off virtually the whole of its engineering department. Inevitably this will mean that it will not be launching any significant new products for at least two years. Overseas competitors will be using that time to introduce products to world markets, including Britain.

The whole issue centres on the short-term attitude taken by British manufacturers (and their shareholders). I know of several companies which will only invest in new products if the pay-back period is less than 12 months.

Is it possible to imagine a significant German or Japanese company laying off its engineering department or demanding a 12-month pay-back for its latest brainchild? A visit to any major trade show will demonstrate that it clearly is not.

John Ewans,
John Ewans Design,
Park Royal Business Centre,
9-17 Park Royal Road,
London NW10

Treating depositors equitably

From Mr Justin Barnard.

Sir, I was not surprised to read your article, "It's time to break Abbey's bad habit" (October 5), regarding Abbey National's failure to inform customers of the launch of new accounts earning higher rates of interest than those where their money has been previously deposited. I had exactly the same experience with the Alliance & Leicester.

I suggest that all deposit-holders should be bound to notify depositors of any change in interest rates as well as details of new alternative accounts. Not only do such changes constitute a fundamental variation in the terms of the contract – the price – they should also be treated on a basis consistent with the notification to borrowers of changes in interest rates.

Quite apart from the question of treating customers equitably, this would enhance the speed of communication of information which is desirable within a free market economy.

Justin Barnard,
4 Highgrove Court,
Poringland,
Norfolk

Car dealers must try harder

From Ms Liz Rosenfeld.

Sir, We have been reading much about the drop in new car sales and little sign of improvement.

As a new car buyer (cash purchase within the month) I have had great difficulty in getting car dealers to respond to a request for a test drive. Two out of three dealers did not have the appropriate model for a test drive but promised to telephone back to arrange one.

More than a week later I am still waiting. No wonder car sales are poor! No one is really trying to sell them – dealers must be expecting the cars to sell themselves.

I know of two other people who have had the same experience.

Do not waste time feeling sorry for those in the car industry – let them try a little harder.

Liz Rosenfeld,
15 Leicester Street,
Leamington Spa

Reclamation goalposts moved again

From Mr A G Biggart.

Sir, It is ironic to read that Mr David Hunt, secretary of state for Wales, has signed a further 107 schemes to clear derelict land in Wales ("Boost for Welsh land reclamation", September 26), with the objective of clearing all derelict land by the year 2000. In the same week, Gwent County Planning Committee has approved a quarrying application which will allow open-cast workings in the Wye Valley up to the year 2011.

Past experience has shown that, in this unique and beautiful landscape, where once the quarrying companies have had their way anything that could reasonably be called restoration is technically impossible.

So Mr Hunt will never reach his goal: the goalposts are receding all the time.

A G Biggart,
The Admirals,
St Briavels,
Lydney,
Gloucestershire

Points missed

From Mr Philip Mickelborough.

Sir, In making his case for abolishing the upper National Insurance limit ("Tax band on the run", October 5), Andrew Dilnot commits two sins of omission. The first is failing to discuss the arguments for amalgamating National Insurance contributions with income tax and thereby simplifying the system.

His second is when he argues in favour of increasing tax allowances rather than reducing the rate. As more families are taken out of the income tax net, more electors will be able to vote on issues like taxation and expenditure while remaining immune from the effects of that vote. This "no representation without taxation" objection was well aired in connection with domestic rates but it is equally valid nationally.

Philip Mickelborough,
39 Kingsbury Street,
Marlborough,
Wiltshire

Fax service

LETTERS may be faxed on 071-873 5938. They should be clearly typed and not hand-written. Please set fax machine for fine resolution.

UK COMPANY NEWS

Hammerson writes £90m off a US property

HAMMERSON Property Investment and Development Corporation, the UK's third largest property company, yesterday announced a £90m extraordinary provision against a property in New York, writes Vanessa Houlder.

It also announced a 7.1 per cent decrease in pre-tax profits from £33.6m to £31.2m for the six months to June 30.

This was the result of a drop in profits from property trading from £5.4m to £100,000. In addition, the refinancing of Canadian dollar preference shares resulted in higher interest charges of £21m.

However, this eliminated the corresponding minority interest charge, so that earnings per share rose by 1.6 per cent to 12.9p.

The City had expected a heavy write-down on the New York property and Hammerson's share price rose by 8p to 643p.

Mr Sydney Mason, chairman, said conditions in most of Hammerson's property markets worldwide had remained very difficult during 1991 with further declines in rental and investment values. "I believe we have shown realism and prudence in responding to the challenges presented by our markets," he said.

Mr John Parry, managing director, said he thought the UK market would not improve until the end of 1992. However, he was confident that the group would make no more write-downs.

He expected property values in calendar 1991 to fall by 10 per cent in the UK, by 2 per cent in Canada and by 5 per cent in Australia, with a marginal increase in Europe.

The provision against Hammerson's New York development follows a £14m write-down at the end of 1990, reflecting what was at the time regarded as a temporary diminution. As a result, the reduction to the group's reserves this year will be £76m.

Rental income grew by 5.7 per cent to £59.3m (£56.1m). Hammerson said it had high occupancy levels and suffered little loss of revenue as a result of tenant default.

The group's only unlet office space in the UK is 21,000 sq ft in Senator House in London's Queen Victoria Street. The group's 249,000 sq ft shopping centre in Saarbrucken, Germany, has been completed and opened to a "very encouraging level of trade", it said.

Gearing stands at around 60 per cent.

An unchanged interim dividend of 3.5p is being paid.

See Lex

A blackened tooth marring a wan smile

Vanessa Houlder on the problems besetting the New York building

THE COLLAPSE in the New York property market which has reduced the value of Hammerson's New York development by two thirds, was faster and more savage than the company ever expected.

Only in April, Hammerson was optimistic about the prospects for the 543,000 sq ft office block, at 420 Fifth Avenue. "Good progress has been made . . . there is encouraging interest in the building from other prospective tenants," it said in its annual report.

In February, Turner Broadcasting Company, which operates the CNN network, had agreed to take 60,000 sq ft of the building for a net rent of $35 per sq ft, rising by $1 every year. "It was a good rent. That letting encouraged us all," says Mr John Parry, managing director.

Since then, the asking rent has fallen to about half that agreed by CNN and, despite interest, no one is prepared to sign a deal. "New York is a tenant's paradise," says Mr Parry. Landlords are so desperate to keep hold of their tenants, that they are offering generous incentives to stay in existing buildings, he says. In some cases, landlords are charging rents that merely cover their expenses.

The Hammerson board is downbeat about the outlook for the New York market. "None of us can see the market picking up for three to five years," says Mr Parry.

Hammerson said it was considering the sale of the building if it got an appropriate offer. It has had several approaches, ranging from a large Middle East investor to a vulture fund run by US entrepreneur Mr Sam Zell. "I think there is a realistic chance that we could have a sale before the year-end," says Mr Parry.

New York's vacancy rate stands at close to 20 per cent, suggesting that the state of the property market is as bad as it was in the mid-1970s, when unemployment and a fiscal crisis sent property values into free fall. Values fell from $100 per sq ft in the late 1960s to $28 per sq ft in 1978.

However, opinions differ on whether the severity of the downturn equals that of the 1970s. Mr Parry thinks that it is worse than the 1970s. Moreover, he thinks it worse than the City of London, which has a similar vacancy rate, because the buildings affected are higher quality and in established core areas.

However, Mr Hugh Kelly of Landauer, a real estate adviser, believes some aspects of the market are better than in the 1970s. Whereas much of New York was owned by private families in the early 1960s, there are now more institutional owners, who are less likely to liquidate their holdings.

Mr Kelly argues that the demographic trends are more positive than in the 1970s, when the population of New York declined by 800,000 people. After gaining 250,000 people in the 1980s, he expects a net gain in the 1990s, as a result of immigration.

He also believes that the trend for businesses to move out of New York, which peaked in the mid-1970s, has moderated. That said, many businesses have moved their back offices out of the centre, sometimes to Brooklyn but also out of New York completely.

420 Fifth Avenue: one of many in the canyons of gloom

The root of the high vacancy rates lies both in the collapse in demand and the over-supply of new space. Although rents in New York peaked in 1983, there was a surge in construction as a result of the growth in the financial services industry, the expansion of credit and tax incentives.

The spiralling vacancy rate in New York has probably reached its peak, according to Mr Kelly. This is because the completion of new buildings has virtually ceased.

However, the demand side of the equation has deteriorated badly, as a result of the recession in the white collar industries that dominate New York. The economic recovery may help demand for some of New York's businesses, such as advertising, public relations and printing.

However, the bleakest aspect of the New York property market is, perhaps, the over-capacity in the financial sector. The problems in this industry, which used to account for a third of New York's demand, may hold back recovery for years to come.

Debt-ridden Asda to shed 350 jobs in cost-saving scheme

By John Thornhill

ASDA, the Leeds-based grocery chain, is to cut 350 head office jobs as part of a streamlining initiative to save £8m a year.

A further 65 jobs will be lost at the West Bromwich headquarters of Allied Maples, the group's home furnishings subsidiary, as a direct consequence of the recession.

The redundancies come into effect from next January. Local politicians and trade union leaders reacted with dismay to the news.

Hard-pressed Asda, which is currently trying to raise £357m by way of a rights issue, said the cuts reflected the reduction in the number of new stores being built, the near-completion of the integration of the 60 Gateway superstores it acquired in 1989, and the computerisation of many administrative functions.

The job cuts will fall across all of Asda's head office areas but the biggest losses will be in the store planning and building divisions. Asda said customer service at the group's 204 stores would not be affected. In total Asda employs 70,000 staff.

Job losses at Allied Maples were blamed on difficult trading conditions. "It was a straight function of the recession. Although Allied Maples is number one in its market that market is still severely depressed," Asda said. Allied currently employs 345 staff at its head office.

City analysts suggested the job cuts were unlikely to have much bearing either way on Asda's attempts to win support for its rights issue. The company's shares remained unchanged at 40p yesterday compared with the rights issue price of 35p.

Several analysts are still recommending clients not to subscribe for the issue. "You should not increase your exposure to the wrong end of the food retailing industry," said one.

No news was forthcoming about the appointment of a chief executive to replace Mr John Hardman who quit in June. "The search is progressing well but there is no announcement as yet," a spokesman said.

Asda has been struggling under a mountain of almost £1bn of debt. Last month, the company warned of a "very significant deterioration" in its profits for the current year as a result of the recession and its high level of gearing.

Analysts cut their forecasts to £90m-£100m compared with the £173m achieved in the previous year.

Fall to £22.3m loss at Thos Robinson

By Jane Fuller

IN A deck-clearing exercise at Thomas Robinson, the debt-ridden engineering group, the new chairman has described cash flow as appalling and said that more redundancies must be made to reduce the business to an appropriate size.

First-half losses amounted to £22.3m before tax, compared with a £10.4m profit in the corresponding period of last year. Sales shrank to £125.2m (£154m). There is no interim dividend (1.5p).

Mr Roy Barber, the company doctor who replaced Mr Graham Rudd as chairman on August 1, said that in spite of receiving £21m in June for the electrical contracting division, debt of £45.6m at the half-way stage was worse than the £44m recorded in December. The overdraft deteriorated by a further £8m between the end of June and September.

Net assets shrank from £70m to £45m in the first half. This included a write-down in value of some industrial plant.

Mr Barber said that, although the group's continuing businesses – baking machines, woodworking machines and screws and fasteners – were only breaking even at best, it had retained the confidence of its bankers.

Interest payments of nearly £4m in the first half contributed to a loss of £9.8m before exceptional items of £12.6m. These comprised:

- £4.58m redundancy payments. About 300 jobs had gone by June to bring the total workforce down to 4,750. More were to come;
- £5.56m reorganisation, including the closure or contraction of five sites and consolidating manufacturing at Leicester;
- £2.04m stock write-off, from a reform of product lines and the need to shift old stock.

Robinson's profits collapsed in the second half of last year. Part of the problem was that RJR Nabisco, the US food group that was subject to a leveraged buy-out, ceased to order capital equipment.

Mr Barber described Wadkin, the woodworking engineer, as the most significant part of the remaining business. In screws and fasteners, it also had two good brand names in Unifix and Nettlefold.

The debt position had been eased a little this month by the £9m disposal of motor trading operations. Other disposals were being considered to help reduce debt.

The share price has plunged from 108p to 9p in less than two years.

US group buys loss-making Harding for £4m

Harding Group, the USM-quoted electrical products distribution group, is being bought for about £4m by Marlowe Holdings, a wholly-owned subsidiary of RCK of the US.

Marlowe, a UK wholesale distributor of electrical, DIY and garden products, is offering 22p per share. It is being recommended by the board and has been accepted irrevocably in respect of 68.39 per cent of the shares. Harding shares rose from 19p to 23p on the day.

At the same time Harding revealed losses of £151,000 (profits £40,000) and the omission of the interim dividend (1.1p) for the six months to June 30. Turnover was down at £11.3m (£12.8m). Operating profits fell to £2,000 (£150,000), but increased net interest charges of £153,000 (£110,000) pushed Harding into taxable losses.

Mr Dennis Harding, chairman and chief executive, said that trading conditions in the period were the worst the company's businesses had ever experienced.

Two disposals net £31.6m for Maxwell

By Bronwen Maddox

TWO SALES yesterday raised £31.6m for publisher Mr Robert Maxwell's private companies.

NFO Research, the US subsidiary of market research company AGB International completed a management buy-out for $42m (£24.6m) in cash.

The remaining businesses, one of the largest market research companies in Europe, will still have sales of over £80m a year.

Stockbrokers Credit Lyonnais yesterday placed 169m shares in Transfer Technology, the engineering mini-conglomerate formerly known as Central & Sheerwood.

The placing, at 4.5p a share, raised £7.6m for Maxwell companies and followed a 58 per cent rise in its interim pre-tax profits the day before.

The disposals are part of a programme to reduce debt in Mr Maxwell's companies.

AGB is owned by Robert Maxwell Group, a private company controlled by Mr Maxwell which is the parent of the publicly-listed Mirror Group Newspapers.

At December 1990 RMG had net debt of £1.3bn, compared to shareholders funds of £856m.

According to Companies House accounts, the Transfer Technology stake was held by Headington Investments, the parent of the Robert Maxwell Group and Mr Maxwell's main private holding company.

At June 1990 HI had net debt of £170m compared to shareholders funds of £74m.

Lep agrees £470m refinancing package

By Peggy Hollinger

LEP GROUP, the heavily indebted distribution and security company, has secured agreement on a £470m refinancing deal, and £40m in extended facilities from its 30 main banks.

The banks have demanded a security on Lep's UK assets and shares in overseas subsidiaries as the price of agreement.

Mr John Read, Lep chairman, said yesterday that the group would now be able to concentrate on the disposal of National Guardian Corporation, its US security systems business, and the development of its core transportation operations.

He denied that Lep had been forced to put NGC up for sale to cut debt and reduce its more than 200 per cent gearing.

Lep has been in refinancing talks for several weeks, with 23 of the 30 banks having signed late last month. The remaining seven had represented just 15 per cent of Lep's debt.

Mr Paul Baines of Charterhouse, Lep's advisers, said the refinancing had been necessary because some banks had decided to withdraw uncommitted credit lines.

Last night the shares closed 1½p up at 23½p.

Receivers called to eight Grovewood companies

By Michiyo Nakamoto

RECEIVERS have been appointed at eight subsidiaries of Grovewood Securities, the financially stretched property and industrial group.

Most of the offshoots are trading companies of the group: Armour Barpak, a packaging company, Early's of Witney, a manufacturer of blankets and bed linen that was acquired for £14.7m in April last year, John Cockroft & Son, and Western Counties Construction.

The other subsidiaries being put into receivership are Grovewood (1990), a property investment company, and the two property companies of Grovewood Investments, Minevent and Charles Early and Marriott (Whitney).

The receiverships leave Grovewood Securities with its core property of the Langham Estates, which it acquired with its takeover of Priest Marians last year, and certain development land of Early's of Witney.

Trading in Grovewood shares has been suspended at 2p since Tuesday when the group requested a temporary suspension of its stock exchange listing pending a resolution of its financial situation.

Grovewood's borrowings have mounted to well in excess of £100m and it is in breach of its banking covenants.

Interim pre-tax profits to the end of March were up at £723,000 (£8,000) and the interim dividend was passed.

However, its £50m acquisition last November of Priest Marians, a property company, had brought severe cash flow problems and a £57m loss at the subsidiary by the half year.

The loss at Priest Marians was mainly due to larger than expected losses at Local London, a property company which Priest had acquired earlier. Grovewood has issued a claim for £57m against James Capel, the broker, which advised Priest on the Local London acquisition.

A Cohen falls 57% to £555,000

A Cohen, a manufacturer of non-ferrous metal ingots and scrap reclaimer, yesterday reported a drop in pre-tax profits from £1.29m to £555,000 for the first half of 1991.

That represented a decline of 57 per cent compared with a fall of 11 per cent in turnover from £46.57m to £41.22m. The shares closed 5p lower at 465p.

The directors explained that the continuing erosion of margins during the recession, especially in the secondary aluminium industry, was the main cause of the profit fall.

They believed there might be a modest recovery in the second half of 1991.

On this basis the interim dividend is being held at 6.6p per share. For 1990 a total of 23.1p was paid from pre-tax profits of £2.03m. Profits have shown a steady decline from a level of £4.25m in 1988.

Providing for tax of £410,000 (£645,000), the attributable profit emerged at £145,000 (£648,000), giving earnings per share of 8.97p compared with 39.9p.

NEWS DIGEST

Margins slip at Atlas Converting

ATLAS CONVERTING Equipment, the maker of slitting and rewinding machines, suffered an erosion of margins in the first half of 1991, because of "more difficult trading conditions, inflation here and the weak US dollar at a time when orders were booked".

Mr Chris Rogers, chairman, said that, in addition, the company had spent some £4m on a new factory, invested in the magnetic tape division, had bought and provided working capital for Hurley Moate, the unwind and rewind machinery maker, and had started building a new factory for General Vacuum Equipment. These all resulted in an interest charge of £13,000 (credit £377,000).

Taxable profits slipped to £3.06m (£3.1m) on turnover ahead at £21.5m (£17.1m).

Earnings crept ahead to 24.6p (24.4p) per share, but the interim dividend is raised almost 8 per cent to 7p (6.5p).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Atlas Converting ......int	7	Dec 2	6.5	-	19.5
Cohen (A) ......int	6.6	Feb 5	6.6	-	23.1
Hammerson Prop ....int	3.5	Dec 10	3.5	-	20.5
Harding Gp § ......int	nil	-	1.1	-	1.1
Robinson (Thos) ......int	nil	-	1.5	-	4
Slingsby (HC) ......int	2	Jan 2	2	-	10

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock.

Lower interest helps Frank Gates

Thanks to a sharp fall in interest payable, Frank G Gates, the Ford main dealer, managed to lift pre-tax profits from £553,000 to £692,000 in the six months to June 30.

The interest charge fell from £739,000 to £49,000 after the sale of most of the contract hire fleet.

Gross profits – struck on turnover down 21 per cent to £29.3m (£37.3m) – declined to £741,000 (£1.29m), though Mr Edward Gates, chairman, said that the company was in profit in all areas other than new vehicles.

He added that he was sure that there were limits to delaying the replacement of vehicles, but he expected any improvement in vehicle sales and profits to depend on the control of production to match the market.

Earnings emerged at 2.19p (1.72p) per share.

Loss at Westminster Scaffolding

Difficult trading conditions left Westminster Scaffolding Group £394,000 in the red at the pre-tax level for the first six months of 1991.

That compared with profits of £320,000 for the corresponding period of 1990.

Directors said the reorganisation of the scaffolding operations, referred to in the May rights issue circular, had been implemented and the number of depots reduced from 14 to eight.

The group had also moved its head office from rented accommodation to freehold premises in Clapham, London.

Turnover fell from £6.74m to £4.88m and operating profits from £762,000 to £75,000.

Losses per share amounted to 2.7p (earnings 1.7p) after a tax credit of £117,000 (£143,000 charge) and the interim dividend is omitted – 2p was paid previously but the final was passed.

Jones Group moves ahead to I£2.56m

Jones Group increased pre-tax profits from I£2.18m to I£2.56m (£2.36m) for the half year to June 30.

Turnover at this Dublin-based group dropped to I£45.6m (I£60.1m) reflecting the sale of two environmental companies at the end of last year.

Mr Denis Magee, chairman, said that the shipping, environmental and distribution divisions continued to trade satisfactorily but trading conditions for the manufacturing and engineering divisions had shown a marked deterioration.

Earnings per share rose to 17.1p (14.4p) and the dividend is increased from 3p to 4p to reduce disparity between the interim and the final.

AB Consultants in cash and shares buy

Associated British Consultants has acquired the Brian Ford Partnership, a mechanical and engineering services consultancy, for 2.02m shares and £90,000 cash.

A further issue of 1.03m shares to raise £1.01m will repay BFP borrowings and the expenses related to the acquisition.

Some 478,400 of the shares issued to the vendors plus the additional 1.03m shares are being conditionally placed at 98p by Rea Brothers with institutional and other investors.

Qualifying shareholders can acquire these shares at the same price on a 1-for-5 basis. The shares closed 2p lower yesterday at 103p.

BW wants Wm Hill instalment delayed

By Roland Rudd

BRENT WALKER, the troubled leisure group, is to ask Grand Metropolitan for a further postponement over the £50m final instalment owed for the purchase of the William Hill and Mecca betting shop business.

Members from both boards are expected to meet next week. Until the company is restructured any move by GrandMet to demand the money could put Brent Walker into liquidation.

Advisers to GrandMet said Sir Allen Shepherd, chairman, would probably agree not to demand payment of the £50m until Brent Walker's restructuring was finalised.

It is not in the interests of GrandMet to demand instant repayment since it would rank at the bottom of the queue of creditors in the event of an insolvency.

Nonetheless, it is important for Brent Walker to get an agreement in writing to a further postponement so it can finalise its plans for restructuring the group.

It is now confident of the support of 90 per cent of the bondholders, after securing an agreement with Jefferson Smurfit, and its chairman, Mr Michael Smurfit, which hold £25m of the bonds, earlier in the week.

Brent Walker's directors are confident that Hambros Bank, which has about five per cent of the bonds, will also back the latest deal which involves swapping their bonds for unsecured loan stock.

Meanwhile, the company confirmed that it had asked its banks for a further £15m to continue trading.

Advisers to the group said they did not expect the banks to refuse the request since they were close to completing the refinancing.

The final installment owed to GrandMet should have been paid last September but Brent Walker refused, contending that William Hill's trading profits were sufficiently below the £55m warranted by GrandMet to require a refund of part of the purchase price.

However, Brent Walker lost its appeal against a High Court ruling and must pay GrandMet the £50m outstanding.

Sir Allen Shepherd

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Am'nt Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price p	+or-	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
180	F.P.	-	198	188	Adam & Harvey	193		W10.0	5.9	6.9	3.3
634	F.P.	-	671	649	All Nippon Airways Y50	671		Q10%	1.6	0.3	-
-	F.P.	-	2½	2	Botts Mining Wrnts.	2	-½	-	-	-	-
†	F.P.	-	110	100	Capital Ventures 1p	103		-	-	-	-
4	F.P.	-	9½	4½	Colver 1p	5½		-	-	-	-
-	F.P.	-	23	18	Eng. & Scott. Wrnts.	20		-	-	-	-
-	F.P.	-	320	213	Eurotunnel '91 Wrnts.	280	-8	-	-	-	-
100	F.P.	-	115	105	Gartmore Scotland Inc.	113		R11.6	-	13.7	-
100	F.P.	-	99	85	Do. Capital	95	-1	-	-	-	-
-	F.P.	-	§665	§605	Do. Units	§665		-	-	-	-
145	F.P.	-	169	148	Irish Life Ir10p	168		HQ10.2%	-	5.4	-
§290	F.P.	-	345	297	Lowndes Lambert 5p	337		L11.5	1.9	4.5	15.7
50	F.P.	-	54	47	§Simpsons of Cornhill 5p	47		-	-	-	14.6
62½	F.P.	-	63	63	Vtech Holdings 5c	63		-	-	-	-

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price £	+ or -
-	F.P.	-	107½	105½	Allied Radio 8pc Cv Uns Ln 2001	105½	
10p	F.P.	-	8p	8p	Botts Mining 10pc (Net) Cv Prf 1994	8p	
100	F.P.	-	100	98½	Camborne Inds. 10½pc Rd. Deb. 2001	99½	+1
100	F.P.	-	90	75½	Clayhithe 9½pc Cv. Ln. 2000-02	75½	-2
100p	F.P.	-	111¼p	104¼p	Gartmore Scotland Zero Div Prf.	111p	
-	F.P.	-	96	95¼	Land Securities 10pc 1st Mtg Deb 2027	96	
100p	F.P.	-	104p	101¼p	NatWest Bank 9pc Prf Series A	102p	+¼

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price p	+ or -
140	Nil	-	20pm	11pm	Barry Wehmiller 5p	11pm	-4
380	Nil	-	12pm	3pm	British Aerospace 50p	4½pm	-1½
160	Nil	-	38½pm	25pm	Hickson International	29pm	+2
210	Nil	-	11pm	1pm	Hillsdown Hldgs. 10p	1pm	-1½
325	Nil	-	30pm	24pm	MB-Caradon	25pm	+1
80	Nil	-	20pm	19pm	Meggitt 5p	19pm	
85	Nil	-	16pm	12pm	Record Hldgs. 5p	16pm	
14½	Nil	-	2pm	¼pm	Starmin 5p	¼pm	
200	Nil	-	10pm	3pm	Third Mile Inv. Units	3pm	-¼
45	Nil	-	23pm	14pm	§Trans World Comms. 10p	15pm	-1
3½	Nil	-	1pm	¼pm	Willis Group A	¼pm	-¼

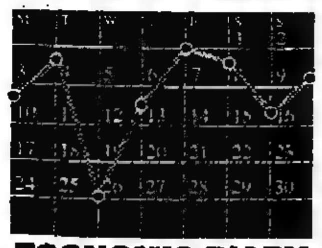
a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Earnings based on preliminary figures. e Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. § Offered to holders of ordinary shares as a "rights". ‡ Introduction. †† Reintroduction. ¶ Unlisted securities market. ‡ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings Oct. 7
- Last Dealings Oct. 18
- Last Declarations Jan. 9
- For settlement Jan. 20

For rate indications see end of London Share Service

Calls: Anglia TV, ASDA, Aspen, Aviva Pet., Conroy Pet., HTV, Lee (Arthur), Lep, Medeva, Proteus, Ratners, Thames TV, Tiphook, TV-am, Yorkshire TV. Puts: Brent Walker, Shanks & McEwan, Tiphook. Put & Call: Lep, Premier Cons.



ECONOMIC DIARY

TOMORROW: National Savings results (September). Bulgarian general election.
MONDAY: Delegation from the European Community and Group of Seven Industrialised [redacted] Moscow to discuss economic co-operation.
TUESDAY: Finished steel consumption and stock changes (second quarter) are expected. Producer price [redacted] numbers (September-provisional). Index of output of the production industries (August). US business inventories for August. The [redacted] prize for economics to be [redacted] tee of nine-nation Western European Union [redacted] alliance meets in Paris.
WEDNESDAY: Public [redacted] borrowing requirement (September). Commonwealth summit [redacted] in Harare (until October 22). Announcement [redacted] Independent Television Commission [redacted] awards. Business International holds three-day [redacted] ence "How [redacted] deal with new investment, privatisation, and acquisition opportunities in Eastern Europe and [redacted] Soviet Union" at Hotel [redacted] Continental, Vienna.
THURSDAY: Instititional investm[redacted] (second quarter). P[redacted] figures of vehicle production (September). Labour market statistics; unemployment and unfilled [redacted] (September-provisional); average earnings indices (August-provisional); employment, hours, productivity and unit wage costs; industrial disputes. [redacted] consumer price index for September, merchandise trade for August and industrial production/capacity utilisation for Septemb[redacted]. European Community tourism [redacted] hold informal two-day meeting [redacted] Noordwijk. North Atlantic assembly [redacted] in Madrid (until [redacted] 22). Nato defence ministers hold two-day meeting in Taormina, Sicily [redacted] in nuclear weapons. [redacted] opens in London.
FRIDAY: Major [redacted] ing groups' monthly statement (September). Provisional esti[redacted] monetary aggre[redacted] (September). [redacted] housing starts, building permits [redacted] September. Results of CBI/Coopers Deloitte survey of UK financial services.

FT-ACTUARIES SHARE INDICES

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EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Friday October 11 1991	Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1991 to date	Thu Oct 10 Index No.	Wed Oct 9 Index No.	Tue Oct 8 Index No.	Year ago (approx) Index No.	1991 High		1991 Low		Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (182)	822.43	....	9.49	5.90	13.14	29.93	822.36	827.58	832.98	710.48	890.04	15/3	675.31	16/1	[redacted] 16/7 [redacted]	50.71 13/12/74
2	Building Materials (23)	995.74	-0.3	7.58	6.26	17.34	40.19	998.90	997.41	1011.50	965.19	1167.75	14/3	911.64	16/1	[redacted] 16/7 [redacted]	44.27 11/12/74
3	Contracting, Construction (31)	1082.96	-0.6	8.63	6.73	15.84	45.06	1089.01	1111.35	1124.14	1160.22	1438.66	15/3	1051.83	23/1	[redacted] 16/7 [redacted]	71.48 2/12/74
4	Electricals (11)	2568.32	+0.2	8.53	5.14	14.85	72.48	2562.44	2602.06	2619.96	1879.75	2675.48	1/10	1837.98	[redacted]	30[redacted] 8/9/89	84.71 25/6/[redacted]
5	Electronics (25)	1741.95	+0.3	10.99	5.47	11.50	49.55	1736.16	1729.33	1742.66	1543.70	1958.19	15/3	1478.08	[redacted]	23[redacted] 19/5 [redacted]	[redacted] 8/10/85
6	Engineering-Aerospace (8)	357.82	-0.1	15.55	7.21	7.76	16.48	358.06	359.49	363.66	407.04	469.23	9/4	357.82	11/10	[redacted] 13/6 [redacted]	357.82 11/10/91
7	Engineering-General (43)	488.33	+0.1	10.01	5.23	12.33	15.79	487.74	492.18	493.70	365.56	503.16	2/10	[redacted]	23/1	[redacted] 15/6 [redacted]	339.57 23/1 [redacted]
8	Metals and Metal Forming (9)	434.32	-0.3	15.14	8.16	8.02	17.48	435.44	446.94	450.14	405.98	509.18	3/4	381.44	[redacted]	596.67 9/10/87	[redacted] 6/1/75
9	Motors (12)	340.07	+1.5	8.78	7.08	14.55	14.65	335.11	338.05	341.50	274.87	371.25	6/9	266.43	[redacted]	411.42 13/10/87	19.91 6/1/75
10	Other Industrial Materials (20)	1599.89	-0.1	7.92	5.10	15.01	56.55	1601.48	1610.37	1608.75	1191.10	1695.81	2/9	1147.76	[redacted]	1881.53 18/8/89	277.55 15/1/81
21	CONSUMER GROUP (189)	1531.49	-0.5	7.48	3.65	16.55	31.94	1539.17	1545.83	1549.95	1189.31	1590.33	6/9	1188.45	[redacted]	1590.33 6/9/91	61.41 13/12/74
22	Brewers and Distillers (22)	1933.81	-0.6	8.01	3.47	15.20	38.33	1946.28	1939.58	1935.67	1483.23	1956.39	1/10	[redacted]	23/1	1956.39 1/10/91	69.47 13/12/74
25	Food Manufacturing (19)	1198.52	-1.1	9.46	4.17	13.05	26.32	1211.45	1220.27	1227.02	1012.28	1251.91	2/10	[redacted]	16/1	1251.91 2/10/91	59.67 11/12/74
26	Food Retailing (17)	2438.02	-1.3	9.13	3.46	14.32	50.36	2469.93	2465.34	2489.10	2346.45	2854.91	2/5	[redacted]	2/1	2854.91 2/5/91	54.25 11/12/74
27	Health and Household (22)	3662.08	-0.7	5.52	2.58	20.77	58.55	3688.69	3733.60	3739.46	2377.35	3802.79	2/9	[redacted]	[redacted]	3802.79 2/9/91	175.38 28/5/[redacted]
29	Hotels and Leisure (24)	1317.80	-0.2	7.73	5.34	15.99	37.73	1320.15	1324.85	1329.26	1205.90	1405.62	2/9	1066.91	25/1	1845.77 8/9/89	54.83 9/1/75
30	Media (26)	1522.21	+0.5	7.07	4.66	18.48	43.94	1514.72	1511.69	1520.50	0.00	1565.67	20/9	1166.91	[redacted]	[redacted] 20/9/91	1166.91 16/1/91
31	Packaging, Paper & Printing (17)	758.06	-0.4	7.42	4.31	16.37	22.26	761.01	762.93	770.20	486.17	788.41	9/9	[redacted]	16/1	788.41 9/9/91	43.46 6/1/75
34	Stores (33)	986.26	+0.3	7.54	3.76	17.39	19.20	983.25	989.98	990.13	805.18	1037.47	2/9	[redacted]	[redacted]	1160.58 29/7/87	52.63 6/1/75
35	Textiles (9)	624.71	+0.2	7.40	4.98	17.14	15.16	623.65	626.95	627.17	407.25	651.48	12/9	396.58	28/1	[redacted] /10/87	62.66 11/12/74
40	OTHER GROUPS (109)	1282.44	-0.4	9.37	5.06	13.41	35.68	1288.14	1292.76	1301.54	973.55	1330.48	2/10	961.05	16/1	1330.48 2/10/91	58.63 6/1/75
41	Business Services (12)	1404.72	-0.4	7.60	4.65	16.35	34.95	1410.03	1421.71	1434.42	0.00	1447.24	4/10	[redacted]	1/2	1447.24 4/10/91	892.28 1/2/91
42	Chemicals (21)	1465.03	+0.2	6.88	4.94	17.93	48.39	1462.20	1463.00	1469.27	989.93	1520.52	2/9	1004.01	16/1	[redacted] 5 [redacted]	71.20 [redacted]/12/74
43	Conglomerates (10)	1475.17	-0.4	9.81	7.12	12.35	38.76	1481.59	1495.57	1513.08	1311.91	1626.42	14/3	1217.37	16/1	1819.46 11/8/89	[redacted]
44	Transport (13)	2331.98	-0.7	7.31	4.87	16.95	66.37	2349.14	2356.62	2363.33	1883.42	2425.36	2/10	1730.87	23/1	2554.69 12/7/89	[redacted] 29/6 [redacted]
45	Electricity (16)	1249.00	....	14.06	5.21	9.27	27.53	1248.72	1243.01	1256.56	0.00	1286.51	2/10	994.96	7/1	1286.51 2/10/91	[redacted] 7/1/91
46	Telephone Networks (4)	1591.35	-0.9	9.42	3.81	13.90	28.34	1606.21	1612.04	1615.36	1087.20	1658.67	2/10	1085.95	16/1	1658.67 2/10/91	517.92 30/11/84
47	Water (10)	2388.73	-1.4	17.10	6.44	6.47	118.37	2422.36	[redacted]	2487.92	1964.67	2539.85	6/9	21[redacted]	[redacted]	2539.85 6/9/91	1820.20 1/5/90
48	*Miscellaneous (23)*	1850.71	+0.1	5.33	[redacted]	25.97	69.66	1848.29	[redacted]	1871.29	1494.06	2033.42	15/8	[redacted]	[redacted]	2087.06 11/7 [redacted]	60.39 6/7/75
49	INDUSTRIAL GROUP (488)	1278.55	-0.4	8.48	4.54	14.70	33.31	1283.49	1289.22	1295.34	1007.05	1326.09	6/9	991.97	16/1	1326.09 6/9/91	59.01 13/12/74
51	Oil & Gas (20)	2399.38	-1.0	10.88	5.79	12.14	92.91	2424.46	2441.82	2456.25	2376.76	2509.42	23/7	2101.45	21/1	2528.70 3/8/90	87.23 29/5/62
59	500 SHARE INDEX (500)	1374.87	-0.5	8.78	4.69	14.33	38.03	1381.29	1387.92	1394.71	1118.78	1424.90	2/9	1092.04	16/1	1424.90 2/9/91	63.49 13/12/74
61	FINANCIAL GROUP (91)	792.55	-0.8	–	5.91	–	30.50	798.64	802.58	813.08	691.19	859.94	15/3	667.36	16/1	896.67 13/10/87	55.88 13/12/74
62	Banks (9)	935.71	-0.9	4.46	5.70	42.43	36.83	944.09	948.45	956.56	733.09	990.15	6/9	695.88	15/1	990.15 6/9/91	62.44 12/12/74
65	Insurance (Life) (7)	1452.21	-1.2	–	5.83	–	62.78	1469.83	1475.88	1507.38	1311.69	1632.53	4/9	1220.74	16/1	1632.53 4/9/91	44.88 2/1/75
66	Insurance (Composite) (6)	601.20	-1.0	–	7.30	–	28.25	607.01	608.04	617.31	606.33	728.27	15/3	572.52	16/1	768.11 29/12/89	43.96 13/12/74
67	Insurance (Brokers) (9)	1115.41	-1.1	7.37	6.08	17.78	42.45	1127.39	1131.92	1163.16	787.35	1202.38	5/4	932.88	23/1	1399.56 17/7/87	65.86 16/12/74
68	Merchant Banks (7)	472.98	.....	–	4.46	–	13.08	473.24	474.12	480.52	354.73	483.38	1/10	327.70	16/1	547.59 12/10/87	31.21 7/1/75
69	Property (36)	908.36	-0.2	6.02	5.15	23.55	23.01	909.88	920.99	934.83	926.43	1087.65	15/3	881.23	3/7	1398.87 5/9/89	56.01 20/4/65
70	Other Financial (17)	259.53	+0.1	[redacted]	[redacted]	11.34	10.84	259.38	259.52	260.16	245.60	298.63	15/3	236.37	16/1	603.48 16/7/87	33.29 17/12/74
71	Investment Trusts (70)	1228.56	-0.8	–	3.51	–	26.66	1238.49	1247.24	1249.00	985.15	1261.80	6/9	947.19	16/1	1323.82 4/1/90	71.12 13/12/74
99	ALL-SHARE INDEX (661)	1234.68	-0.5	–	4.82	–	35.71	1241.04	1247.10	1254.40	1013.31	1284.07	6/9	987.46	16/1	1284.07 6/9/91	61.92 13/12/74

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Oct 10	Oct 9	Oct 8	Oct 7	Oct 4	Year ago	1991 High		1991 Low		Since Compilation High	Since Compilation Low
FT-SE 100 SHARE INDEX‡	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2599.5	[redacted]6.2	2624.6	2100.4	[redacted]	2/9	2854.8	[redacted]	[redacted] 2/9/91	[redacted] 23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Oct 11	Day's change %	Thu Oct 10	Accrued interest	xd adj. 1991 to date
	British Government					
1	Up to 5 years (28)	121.71	+0.14	121.82	1.50	9.94
2	5-15 years (27)	134.90	+0.35	134.43	2.23	10.57
3	Over 15 years (9)	143.19	+0.57	142.38	1.88	10.60
4	Irredeemables (6)	159.71	+0.08	159.58	3.92	8.83
5	All stocks (70)	133.02	+0.29	132.73	1.98	10.48
	Index-Linked					
6	Up to 5 years (2)	[redacted]	[redacted]	[redacted]	0.13	3.16
7	Over 5 years (9)	[redacted]	[redacted]	[redacted]	0.92	3.42
8	All stocks (11)	[redacted]	[redacted]	150.10	0.80	3.46
9	Debs & Loans (60)	113.65	[redacted]	113.74	2.08	8.33

	AVERAGE GROSS REDEMPTION YIELDS		Fri Oct 11	Thu Oct 10	Year ago (approx.)	1991 High		1991 Low	
	British Government								
1	Low	5 years	8.70	8.74	10.79	10.14	16/1	[redacted]	3/10
2	Coupons	15 years	9.48	9.51	10.79	10.24	2/1	9.24	18/9
3	(0%-7¾%)	20 years	9.48	9.51	10.79	10.26	2/1	9.24	18/9
4	Medium	5 years	9.77	9.80	11.52	11.15	2/1	9.56	20/9
5	Coupons	15 years	9.61	9.66	11.27	10.62	2/1	9.41	20/9
6	(8%-10¾%)	20 years	9.56	9.61	11.19	10.50	2/1	9.35	18/9
7	High	5 years	9.96	10.01	11.62	11.25	2/1	9.75	20/9
8	Coupons	15 years	9.69	9.74	11.49	10.80	2/1	9.50	18/9
9	(11%-)	20 years	9.62	9.66	11.44	10.67	2/1	9.41	18/9
10	Irredeemables†		9.70	9.70	10.96	10.48	31/12	9.43	18/9
	Index-Linked								
11	Inflation rate 5%	Up to 5yrs.	3.79	3.81	4.22	4.48	15/7	3.59	18/1
12	Inflation rate 5%	Over 5 yrs.	4.21	4.23	4.39	4.40	1/8	4.09	18/2
13	Inflation rate 10%	Up to 5 yrs.	3.12	3.23	2.92	3.60	9/7	2.13	21/2
14	Inflation rate 10%	Over 5 yrs.	4.02	4.06	4.19	4.22	15/8	3.90	12/4
15	Debs &	5 years	11.28	11.28	14.23	12.63	9/1	11.08	25/9
16	Loans	15 years	11.12	11.11	12.76	12.38	18/1	10.84	23/9
17		25 years	10.96	10.95	12.35	12.16	18/1	10.66	23/9

‡Opening Index 2569.4; 9 am 2573.4; 10 am 2576.4; 11 am 2575.3; Noon 2570.3; 1 pm 2559.2; 2 pm 2562.3; 2.30 pm 2563.9; 3 pm 2563.3; 4.10 pm 2555.7; (a) 10.15am (b) [redacted]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Business Services	31/12/90	999.65	Telephone [redacted]	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electricity	31/12/90	999.65	Electronics	30/12/83	[redacted]	Food Retailing	29/12/67	114.13
Media	31/12/90	1228.68	Other Industrial Materials	31/12/80	[redacted]	Insurance Brokers	29/12/67	96.67
Engineering - Aerospace	29/12/89	486.00	Health/Household Products	30/12/77	[redacted]	All Other	10/4/62	100.00
Engineering - General	29/12/89	486.00	Other Groups	31/12/74	[redacted]	British Government	31/12/75	100.00
Water	29/12/89	1968.45	Industrial Group	31/12/70	[redacted]	Do. Index-linked	30/4/82	100.00
Conglomerates	31/12/86	1114.07	Other Financial	31/[redacted]	[redacted]	Debs & Loans	31/12/77	100.00

† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number [redacted], Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are [redacted] subscription from FINSTAT, Ibex House, 42-47 Minories, London EC3N 1DY. Tel: 071-702 0991.
NAME CHANGES: Markheath Securities (69) is now [redacted] Oxford Instruments Group (4) is now Oxford Instruments.

LONDON TRADED OPTIONS

Option		Calls Oct	Calls Jan	Calls Apr	Puts Oct	Puts Jan	Puts Apr
Allid Lyons	550	59½	76½	93½	1½	13½	18
[redacted]	600	19½	46	65½	[redacted]	30	37½
	650	[redacted]	25	42½	43½	58	62½
[redacted]	40	3½	7¼	9½	4	6	7½
	50	1	3½	6	11½	13½	14½
	60	½	2¼	3¼	20½	21½	22½
Brit. Airways	160	33½	35½	40½	½	2	[redacted]
(*193)	180	14½	20	25½	1	5½	8
	200	2½	10	15½	8½	16	17½
SmKl Bee-	700	42½	67½	84½	1	12½	19
[redacted]	750	9½	36½	55½	16½	33½	39½
	800	1½	16½	34½	60½	64½	68½
[redacted]	390	30	37	51	½	5½	9½
[redacted]	[redacted]	5¼	[redacted]	33½	6½	15	[redacted]
	460	½	6	15	40½	42½	44½
B.P.	330	13	20½	26½	1½	[redacted]	11
(*341)	360	1½	6½	12½	18½	23½	27½
[redacted] Steel	110	8½	11½	13½	½	3	4
(*119)	120	1½	5	8	2½	6½	8½
Bass	977	24½	–	–	6½	–	–
(*989)	1000	–	34½	56½	–	44½	50½
C & Wire	[redacted]	[redacted]	[redacted]	–	[redacted]	7½	–
(*545)	550	8½	29½	48½	9	23½	30½
[redacted]	460	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	9	18½	32½	19	27	30
Com. Union	[redacted]	[redacted]	42	48½	1	6½	15½
(*483)	[redacted]	[redacted]	20	26	18	24	34
[redacted]	460	11½	32	45	5	19½	24
[redacted]	500	1	14½	26	34	42	46
GKN	330	[redacted]	[redacted]	39½	2½	[redacted]	16½
[redacted]	360	3	16	23	14	22½	31½
Grand Met.	800	53½	78	90½	1½	14½	22
(*849)	850	13½	46	61½	10½	35½	40½
I.C.I.	1300	27½	82½	106	15½	37½	62½
(*1311)	1350	7	56½	77½	43	61½	87½
[redacted]	500	52½	69½	82½	½	5	[redacted]
[redacted]	550	12	39½	49½	8½	9½	36
[redacted]	[redacted]	5	15½	[redacted]	4	10½	13½
(*256)	260	1	7½	[redacted]	19	21½	25½
Land Secur	500	[redacted]	[redacted]	36	4½	22½	29½
(*503)	550	½	5½	19½	47½	52½	52½
M & S	260	15	22½	31	½	6	8
(*275)	280	2½	12	19½	8½	14	16½
[redacted]	330	–	–	39	–	–	8
(*348)	360	3	13½	–	19	15½	–
Shell Trans.	500	15½	32½	38	3	11	15½
[redacted]	550	2	10½	14½	27½	38	38½
Storehouse	100	[redacted]	10	13½	1½	[redacted]	6½
(*105)	110	[redacted]	5	9½	5½	[redacted]	11
Trafalgar	220	–	–	25½	–	–	17½
[redacted]	[redacted]	[redacted]	14	–	5	18½	–
Utd. Biscuits	390	7½	24	30	6	14½	21
(*395)	420	½	10	15½	29½	31	37½
[redacted]	750	26½	46½	63½	3	16	22½
(*771)	800	3	22½	35½	30	39½	47½
Ultramar	260	17	31	32½	4	11½	16
[redacted]	[redacted]	[redacted]	18½	21½	16	22½	27½
Option		Nov	[redacted]	May	Nov	Feb	May
Brit Aero	384	13½	32½	34½	[redacted]	31½	43½
[redacted]	414	5	19½	[redacted]	[redacted]	51	61½

Option		Calls Nov	Calls Feb	Calls May	Puts Nov	Puts Feb	Puts May
[redacted]	420	34	46	58	3½	10	14
[redacted]	460	10½	22½	36½	3½	10	14
BAT Inds	600	47½	68½	77½	3	9½	15
(*639)	650	15	39	47½	20½	27½	34½
BTR	390	24½	37	40½	4	10	15½
[redacted]	420	7½	18½	25	17	23½	28
Brit. Telecom	390	23½	31½	[redacted]	5	12	16
(*405)	420	7	16½	[redacted]	18½	27½	30½
Cadbury Sch	390	24	36	40[redacted]	9½	15½	25
[redacted]	420	10½	22	28	34	[redacted]	[redacted]
Eastern Elec	[redacted]	[redacted]	23	25½	[redacted]	4½	6
(*175)	[redacted]	6¼	[redacted]	16½	8	13½	14½
[redacted]	1000	45½	77½	95½	12	25	39
[redacted]	1050	18½	49	67½	35½	46½	61½
GEC	180	14	17	22½	1½	3½	5½
(*191)	[redacted]	3	7½	11½	10	13	15
Hanson	200	19	21½	24	½	5½	6½
(*216)	220	5	9	13	7½	15½	17
[redacted]	300	11½	21	27	11½	15½	20
[redacted]	330	3	9½	15½	32½	32½	35½
[redacted]	130	7½	11½	14½	6	9	10½
(*134)	140	3½	7	10½	11½	14	[redacted]
P & O	472	35½	55½	–	4	10½	–
[redacted]	500	–	–	44½	–	–	30½
Pilkington	140	12½	17½	23	3½	8	9
(*148)	160	3	[redacted]	13½	14½	18½	19½
Prudential	220	16½	25½	–	2	4½	–
(*231)	240	5½	13½	17½	10	13½	16½
Racal	56	4½	–	–	2½	–	–
[redacted]	60	2	4	–	5	6	–
R.T.Z.	[redacted]	21	40½	47½	11	[redacted]	[redacted]
[redacted]	600	4	20	26½	47	48½	58½
Scot. & New	390	32½	39½	49½	3	8	10½
(*414)	420	13	22	32½	13½	[redacted]	[redacted]
Tesco	240	13½	21½	[redacted]	3½	7½	[redacted]
(*247)	260	4	11½	[redacted]	14½	16[redacted]	[redacted]
Thames [redacted]	[redacted]	–	–	32½	–	–	14½
[redacted]	370	10	17½	–	11½	16½	–
[redacted]	[redacted]	27	39½	–	5	12½	–
[redacted]	390	10½	23½	–	18	24½	–
Option		[redacted]	Mar	[redacted]	Dec	[redacted]	[redacted]
Abbey Nat.	280	19	27	30	4	8	10½
(*288)	300	9	15½	21	13	18½	20
Amstrad	35	4½	6½	8½	3½	[redacted]	6½
[redacted]	40	2½	5	6½	7	[redacted]	10
Barclays	420	33½	44½	47½	4½	11	14½
(*441)	460	11	21½	27½	22½	33	36½
Blue Circle	240	13½	22	24	9½	12½	17½
(*240)	[redacted]	5	12½	15½	20½	[redacted]	[redacted]
[redacted]	260	11½	16½	20½	6½	7½	14
[redacted]	[redacted]	4	9½	11½	[redacted]	22½	24½
[redacted]	240	21	27½	35½	7	11½	14½
(*249)	260	9½	17½	28½	15½	21	23
[redacted]	[redacted]	[redacted]	70	–	11	18½	–
[redacted]	[redacted]	[redacted]	[redacted]	65	26½	36½	41
Glaxo	1350	79	121	155	20	37	42½
[redacted]	1400	52½	[redacted]	128	58½	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	72	7½	11½	[redacted]	
(*745)	750	23½	32	37½	[redacted]	32	33

Option		Calls Dec	Calls Mar	Calls Jun	Puts Dec	Puts Mar	Puts Jun
Hillsdown	200	–	–	[redacted]	–	–	12½
(*205)	216	7	12½	–	15	17	–
Lonrho	220	20	24	26	2½	9	11
(*234)	240	9	12½	15½	11	20	22½
Midland Bk	240	25	32½	38	6	10½	13½
(*254)	260	13½	21	28	14½	17½	[redacted]
National Power	160	10	13½	18	5	7	9
(*163)	180	2½	6	9	17½	19½	21½
Reuters	900	76½	105	120	19	37½	46½
[redacted]	950	46½	76½	[redacted]	41½	60½	70½
R. Royce	140	8	[redacted]	15	[redacted]	10	11½
(*142)	160	2½	5½	7½	[redacted]	22	24
Scottish Power	100	11½	14½	17½	1½	3½	4½
(*109)	110	5½	8	11	5	7	8½
Sears	[redacted]	8	[redacted]	10	4	5½	[redacted]
[redacted]	100	3	5	7	10½	11[redacted]	13½
Forte	260	17½	26½	29½	4½	6½	11½
(*273)	280	7	14½	18½	13	16½	20
Thorn EMI	750	60	73½	[redacted]	7½	[redacted]	17
[redacted]	800	22½	44½	64½	25½	32½	36½
[redacted]	[redacted]	2½	12½	15½	2½	6	7½
(*135)	[redacted]	6	[redacted]	[redacted]	7½	11	11½
Vaal Reefs	[redacted]	[redacted]	[redacted]	15	2½	4½	[redacted]
[redacted]	[redacted]	4½	7½	10	7½	10½	12
[redacted]	700	14½	65½	85½	25	34½	42½
(*713)	750	21	[redacted]½	61½	53½	58½	63½

EURO FT-SE INDEX (*2556)

	2425	2475	2525	2575	2625	2675	2725	2775
[redacted]								
Oct	139	92½	52½	22½	7½	[redacted]	1	½
Nov	161	121	82½	50½	[redacted]	15½	7	2½
Dec	186	–	111	–	[redacted]	–	22½	–
Mar	234	–	165	–	106	–	61½	–
Jun	277	–	210	–	150	–	105	–
Sep	312	–	[redacted]	–	190	–	140	–
PUTS								
Oct	5	11½	20½	40½	72½	[redacted]	164	[redacted]
Nov	14	21½	[redacted]	52½	78½	112	153	[redacted]
Dec	22	–	44½	–	86½	–	149	–
Mar	[redacted]	–	70	–	107	–	157	–
Jun	[redacted]	–	85	–	117	–	165	–
[redacted]	62½	–	87½	–	127	–	[redacted]	–

FT-SE EUROTRACK 100 INDEX (*)

	1050	1075	1100	1125	1150	1175	1200	
[redacted]								
[redacted]	60	42	[redacted]	7½	[redacted]	3	–	
Mar	95	75	54	43	[redacted]	15	–	
PUTS								
Dec	9½	14½	23½	35	52	73	97½	–
Mar	14	17½	29½	36	43	57½	77½	–

FT-SE INDEX (*2556)

	2400	2450	2500	2550	2600	2650	2700	2750
CALLS								
Oct	163	115	73	[redacted]	5½	[redacted]	1	
[redacted]	184	[redacted]	101	66½	41½	22½	11½	5½
Dec	209	168	[redacted]	94	65½	44	27	16
Jan	225	187	[redacted]	117	87½	64½	44½	29½
Jun†	300	–	[redacted]	–	170	–	122	–
PUTS								
Oct	[redacted]	7½	15½	[redacted]	[redacted]	[redacted]	[redacted]	202
Nov	13	19	31½	47½	73½	109	152	202
Dec	21	29½	41½	59	84	114	156	201
Jan	[redacted]	37½	50½	67½	90½	119	157	205
Jun†	[redacted]	–	85	–	127	–	180	–

October 11 Total Contracts 30,673
Calls 18,898 Puts 11,775
FT-SE Index Calls 2,931 Puts 2,474
Euro FT-SE Calls 344 Puts 422
[redacted] 100 Index Calls 0 Puts [redacted]
*Underlying security price. † Long dated expiry months
Premiums shown are based on middle prices.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

½ hour period ending	Provisional Price for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	16.87	15.88	15.98
0100	16.88	15.97	15.97
0130	16.90	15.92	15.92
0200	16.90	15.92	15.92
0230	16.80	15.92	15.92
0300	16.90	15.92	15.92
0330	16.88	15.91	15.91
0400	16.87	15.80	15.90
0430	16.88	15.88	15.88
0500	16.88	15.88	15.89
0530	16.82	15.97	15.97
0600	16.82	15.97	15.97
0630	15.94	15.98	15.98
0700	16.86	15.98	15.86
0730	15.80	16.39	16.39
0800	16.83	18.21	19.85
0830	16.83	18.77	20.43
0900	22.38	18.77	20.43
0930	22.38	19.48	21.18
1000	16.83	19.48	21.15
1030	16.83	19.48	21.15
1100	16.83	19.48	21.15
1130	16.88	19.48	21.18
1200	16.82	19.05	20.71
1230	16.77	19.05	20.71
1300	16.84	18.70	20.35
[redacted]	16.84	18.70	20.35
	16.64	18.42	20.08
	16.84	18.00	18.00
	15.30	18.00	18.00
	15.90	18.00	18.00
	15.94	18.00	18.00
	15.98	18.00	18.00
	16.64	18.31	19.95
	15.84	18.70	20.35
	16.82	18.70	20.35
	16.83	18.70	20.35
	16.84	18.70	20.35
	20.89	18.70	20.35
	20.98	23.37	25.15
	16.84	23.57	25.17
	18.27	20.14	21.84
	18.27	19.88	21.89
	16.83	17.95	19.58
2230	16.80	17.95	19.58
2300	16.80	17.88	19.52
2330	16.89	15.83	17.41
2400	16.85	15.83	17.41

[redacted] are determined for ever[redacted] hour in [redacted] twenty-four [redacted] period. [redacted] are in [redacted] per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.88/MWh becomes 1.888p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made [redacted] in respect of [redacted] traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately [redacted] after the day of trading. [redacted] the price paid by purchasers under the pool trading [redacted] dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

ANNOUNCEMENTS

JAYAMANNE JOSEPH GREGORY

otherwise Don Joseph Gregory Jayamanne
11a Widecourt Court Widecombe Way
of London N2
died on 28th November 1990
particulars to D.R. Sheridan
Solicitor of D.R. Sheridan & Co
106 High Street
Bushey, Herts WD2 3DE
before 13th December 1991

ADVERTISEMENT

BUILDING SOCIETY INVESTMENT TERMS

	Product	Gross [redacted]	Net/ CAR	Interest paid	Minimum [redacted]	Access and other details
Alliance and Leicester	Special Return	12.25	9.19	Yearly	£10,000	2yr term 10% inst acc fac with int w.
	Ninety Day	11.25	8.44	Yearly	Tiered	10.75/10.30/9.75/9.35
	Midas	[redacted]	7.95	Yearly	£25,000	10.00 £10K plus Instant access
	Instant Access	[redacted]	7.28	Yearly	Tiered	9.30/9.20/8.90/8.60/inst acc
	Tessa	[redacted]	N/A	Yearly	£10	28 days not/wth. int. w.
Barnsley (0226 733999)	Summit	11.25	8.44	Yearly	£30,000	90 days'not/pen £10K inst acc/M.I.
Birmingham Midshires (0902 710710)	Quantum Tessa	11.50	N/A	Yearly	£25	30 days penalty
	Quantum High Int.	11.36	8.46	½ Yearly	£50,000	60 days not/pen inst acc. £10K+
Bradford and Bingley (0274 561545)	Maximiser Bonus	8.50	6.38	Yearly	£1,000	Inst./Bonus for no withdrawals
	Maximiser Bonus	9.50	7.13	Yearly	£10,000	Inst./Bonus for no withdrawals
	Maximiser Option 6	11.00	8.25	Yearly	£2,500	6mths not/pen (10.50% gross mthly inc)
	Max [redacted]	12.25	N/A	Yearly	£9,000	Inc 1%-6 pa bonus (12.25%-6 on spec acc)
	[redacted] Elite I	11.45	8.59	Yearly	£5,000	Guar. 6% gross p.a. above
	Maximiser Elite 7	11.78	8.84	Yearly	£25,000	Ord. A/C gross rate for 12 months
Bristol and West (0272 294271)	Select	10.25	7.69	Yearly	£50,000	Inst. Acc. No penalty.
	Select	10.00	7.50	Yearly	£25,000	Choice of passbook, cashcard
	Select	9.70	7.28	Yearly	£10,000	and, (if £2,000
	Select	9.10	6.83	Yearly	£2,000	remains in account) cheque book
	Select	8.40	6.30	Yearly	£500	with £100 guarantee card
	Select	3.40	2.55	Yearly	£1	
	Tessa Plus	11.65	N/A	Yearly	Tiered	10.15/6.15 + 2% bonus in 1st year
	High 30	11.00	8.25	Yearly	Tiered	10.90/10.60/10.05/9.45/9.10 High interest with only 30 days notice
Catholic (071-222 6736/7)	Jubilee Bond 2	11.10	8.32	Monthly	£2,000	90 day 11.41% mthly t/r
[redacted] 986 1711)	"B" Shares	11.62	8.72	½ Yearly	£1	Gtd rate at 1.97% above Ord Share Rate
	Ordinary Shares	9.55	7.16	Choice	£1	Instant access.
Cheltenham & Gloucester (0800) 717505	London Share Acc	11.15	8.36	Yearly	£2,500	Instant access/by post
	C&G Flexi-Tessa	10.90	N/A	Yearly	£100	* Tax-Free
Chelsea (0992 26261)	Spec 90 Shares	11.30	8.48	Yearly	£50,000	90 days' notice/penalty
	Instant Access	10.05	7.54	Yearly	£20,000	Instant Access/Tiered Account
	TESSA	12.25	N/A	Yearly	£1	41% of Capital Bal. on Maturity
Coventry (0203 252277)	Moneymaker	8.80	6.60	Yearly	[redacted]	Instant access, no penalty
	Moneymaker	7.80	5.85	Yearly	[redacted]	Mthly Inc. £10,000 - 8.46%
	3 Year Bond	11.55	8.66	Yearly	[redacted]	With 90 days' notice or penalty
	3 Year Bond	11.15	8.36	Yearly	[redacted]	monthly income option.
	3 Year Bond	10.40	7.80	Yearly	£1,000	
	Instant Option	11.55	8.66	Yearly	£40,000	
	Instant Option	11.15	8.36	Yearly	£25,000	Inst acc/no pen.
	Instant Option	10.40	7.80	Yearly	£10,000	Monthly income option.
	Instant Option	9.50	7.12	Yearly	£5,000	
	Tessa	11.55	N/A	Yearly	£1.00	Mthly int 10.98 tax exempt spec. sav. acc.
Halifax*	90-Day Xtra	8.84	6.60	½-yearly	£500	[redacted] but
	90-Day Xtra	9.25	6.91	½-yearly	£5,000	instant where
	90-Day Xtra	10.09	7.53	½-yearly	£10,000	£5,000 remains
	90-Day Xtra	10.62	7.91	½-yearly	£25,000	
	90-Day Xtra	11.30	8.42	½-yearly	£50,000	
	Tessa	11.65	N/A	yearly	£50	5yr term with 2 bonuses
[redacted] (071 928 1331)	2 Year Term Share	11.70	8.78	Yearly	£500	60 days notice after 1 year 10 months
[redacted] (061 643 1021)	Masterplan	10.30	7.73	Yearly	£25,000	Instant access [redacted]
	30 Day Notice Acc	11.25	8.44	Yearly	£50,000	w/d per month of £500[redacted] w/d pen
[redacted]	Monthly Interest	11.16	8.370	Monthly	£100,000	11.76 annual - 90 days notice
	Select Notice	11.50	8.625	Yearly	£2,500	12 mths notice. 10% of bal min.
	Tessa	12.25	N/A	31 Dec	£1	Plus ½% extra int. year 5
Leeds Permanent (0532 438181)	Solid Gold	11.10	8.35	Yearly	£50,000	3mth Tiered rates from £500
	Liquid Gold	9.80	7.35	Yearly	£10,000	Inst acc. [redacted]. Tiered rates from £25
[redacted]	Rainbow 90	11.35	8.51	Yearly	£50,000	90 days [redacted]
	Rainbow 90	11.20	8.40	Yearly	£25,000	90 days notice
Mornington (071-485 5575)	Mornington 90	12.00	9.00	Yearly	£30 000	£10K+ imm. -£10K 90d nt/pn.
National & Provincial*	Private Reserve	9.45	7.08	Yearly	£500	90 days notice/
		9.55	7.16	Yearly	£2,500	penalty. [redacted]
		9.75	7.31	Yearly	£ 5,000	free withdrawals
		10.30	7.72	Yearly	£10,000	of up to £2k per annum.
		10.75	8.06	Yearly	£25,000	Instant access above £10k.
		11.25	8.43	Yearly	£50,000	Interest paid 1 June.
		11.40	8.55	Yearly	£100,000	
Newcastle (091 2326676)	Nova Plus Special	11.60	8.70	Annually	£200,000	Instant Access
	Nova Plus	11.24	8.33	Monthly	£50,000	Instant access. Tiered A/C
	TESSA	11.35	N/A	Annually	£1	1% maturity bonus on 1st years cap invest
North of England (091 5656272)	Prestige Monthly	11.00	8.25	Monthly	£50,000	[redacted] days not/pen. Tiered from £5k.
	Tessa	12.50	N/A	Yearly	£10	Tax exempt where capital remains 5 years
Northern Rock (091 285 7191)	Eclipse	12.25	9.07	Monthly	£50,000+	60 day
		11.75	8.70	Monthly	£25,000+	notice
		11.00	8.15	Monthly	£10,000+	limited
		10.25	7.60	Monthly	£5,000+	issue
		3.09	2.31	Monthly	£1+	
Norwich & Peterb'gh (0733 371371)	Special 85	11.57	8.56	Choice	£50,000	[redacted]/penalty
Nottingham (0602 481444)	Blue Chip Thirty	11.60	N/A	Yearly	£5,000	[redacted] acc to 10% A/C bal 6 mthly
Portman (0202 292444)	Monthly Interest	10.47	7.76	Monthly	£20,000	1 months notice
	Instant Access	10.00	7.50	Annual	£500	No notice, no penalty
Principality (0222 344188)	Tessa	11.50	N/A	Annually	£25	Tax exempt where capital remains 5 yrs
[redacted] (072[redacted]	Ninety	10.75	8.06	Yearly	£25,000	90 D not/pen 250+ 9.25 5K+ 10.00
	Excelsior	10.75	8.06	Monthly	£25,000	1 yr term guaranteed 4% diff
Skipton (0756 700500)	Sovereign Shares	11.40	8.55	Yearly	£50,000	Instant access. No penalty
	Skipton Ninety	11.50	8.625	Yearly	£50,000	[redacted] notice or penalty
	Skipton Ninety	11.25	8.438	Yearly	£25,000	[redacted] notice or penalty
	Skipton Ninety	11.00	8.25	Yearly	£10,000	[redacted] notice or penalty
	Money Market Plus	11.063	8.297	Yearly	£2,500	Fixed until maturity 31.12.91
Stroud and Swindon*	Summit	12.00	9.00	Annually	£40,000	90 [redacted] notice/penalty
Town and Country (071-353 1476)	Supershares	11.00	8.25	Yearly	£50,000	Instant access, tiered from £1
	Super 90	11.50	8.62	Yearly	£50,000	90 Days not/pen, instant on £10K+
	Super Tessa	12.00	N/A	Yearly	£1	60 days notice
Woolwich	Prime Gold	10.75	8.44	Yearly	£50,000	Instant access, Tiered rates frm £50.
	Premium Inv Plus	11.75	8.81	Yearly	£50,000	1 yr term, 5%
		11.50	8.63	Yearly	£25,000	guar prem.
		11.25	8.44	Yearly	£10,000	
	Tessa Bonus	11.75	N/A	Yearly	£3,000	5 yr term for tax exempt.
Yorkshire (0274 734822)	Tessa Premier	12.25	N/A	Yearly	£100	90 days notice/penalty
	Key 90 Plus	11.75	8.81	Yearly	£100,000	90 days notice/penalty
	Key 90 Plus	11.50	8.63	Yearly	£50,000	90 days notice/penalty
	Key 90 Plus	11.00	8.25	Yearly	£25,000	90 days notice/penalty
	Key 90 Plus	10.75	8.06	Yearly	£10,000	90 days notice/penalty
	Platinum Key	9.80	7.35	Yearly	£25,000	Instant access - 10,000 minimum
	Platinum Key	9.20	6.90	Yearly	£10,000	Instant access - 10,000 minimum
	Platinum Key	8.80	6.60	Yearly	£500	60 days notice/penalty

*For telephone see local directory. CAR = Annual yield after interest compounded net of basic rate tax

12/10

Fiat to take 51% of privatised Polish motor company

FIAT, the Italian industrial group, yesterday agreed to go ahead with the purchase of a 51 per [illegible] stake of its long-standing Polish associate, [illegible] (Fabryka Samochodow Malolitrazowych) in the [illegible] stage [illegible] the privatisation [illegible] Poland's [illegible] industry.

A [illegible] of intent signed in Warsaw commits Fiat to invest [illegible] in expanding production [illegible] the [illegible] Fiat [illegible] introducing [illegible] new model.

This sum is in addition [illegible] the L800bn [illegible] already spent on [illegible] launch from Poland [illegible] the Fiat [illegible] – the first western-designed car to be produced from [illegible] in [illegible]ern Europe.

Final details of [illegible] are expected [illegible] be completed [illegible] the end of [illegible].

The [illegible] of FSM [illegible] the largest privatisation [illegible] in Poland. It underscores [illegible] strategic commitment to [illegible]ern Europe for [illegible] components manufacture as well as sales.

Meanwhile, the Polish government has announced that a final decision on the future of the Warsaw plant operated by FSO, Poland's other car maker, will be taken by October 22.

Citroen of France and General Motors have indicated that they want to establish a joint venture with FSO. Credit Suisse First Boston and Skadden Arps, the law firm, are advising the Polish government on both the FSM and FSO projects.

Fiat had hoped to obtain Polish government backing for [illegible] comprehensive plan to remodel the country's automotive industry, taking over FSM [illegible] well as FSO. After initial interest, the Polish government concluded the Fiat proposal would create a presence that was too monolithic and potentially monopolistic.

[illegible] said it accepted [illegible] second Polish [illegible] car producer would not be included in any future deal. Discussions are already going on between the Polish authorities and GM [illegible] the possibility of an assembly operation for [illegible] 30,000 and 50,000 cars a year.

The FSM letter of intent with Fiat was [illegible] by Mr Janusz Lewandowski, Poland's minister for privatisation, and Mr Paolo Canterella, Fiat Auto's [illegible]. Apart from Fiat's 51 per cent, [illegible] 20 per cent tranche has been [illegible] for the FSM workforce.

One of the main issues to be decided is the size of the new company's capital and the value of [illegible] assets, which would include existing investments on the 500 model used to upgrade the FSM plant [illegible] Bielsko Biala in Silesia. The new [illegible] commitment covers [illegible] six-year period.

The 500 [illegible] "Cinquecento" is due on the market next year. It will be the smallest car in the Fiat range – replacing the 126 which has [illegible] exclusively produced in Poland since 1981.

Total Polish car output in the first nine months of 1990 amounted to 187,000 units, and a further 106,000 vehicles were imported. Last year, FSO produced 81,600 vehicles, while the first nine months [illegible] this year have seen output and [illegible] slump [illegible] the 23,000 mark.

FSM has an annual production capacity [illegible] 160,000 units, and this will [illegible] to 240[illegible] units when production of [illegible] Cinquecento comes on stream. The first nine months of this year have seen FSM and FSO produce 132,000 vehicles, while imports of new and used foreign cars in the first nine months amounted to [illegible] units.

Poland will pay for its share of investment costs at Bielsko Biala through the sales of Fiat cars via the car maker's dealer network in western Europe. Of the initial annual production of 160,000, some 100,000 cars are expected to be [illegible]rted to western Europe.

Fiat has a history of involvement in Poland dating back to 1921, when [illegible] Fiat [illegible] established. After the second world war, Fiat expanded [illegible] ties with the second state car concern, FSO, [illegible] produce the 125 model.

Such contacts have given Fiat the confidence to press ahead in Poland and other east European markets despite their extensive economic problems and political uncertainties.

These uncertainties [illegible] stalled negotiations [illegible] Soviet authorities on [illegible] commitments [illegible] the giant Togliattigrad plant run by [illegible] (Volzhskij Automobilnij Zavod).

[illegible] memorandum [illegible] signed on April 27 in Moscow which envisaged Fiat taking [illegible] 30 per [illegible] in [illegible] privatised VAZ. A valuation [illegible] VAZ [illegible] is being carried out by [illegible] least two merchant banks, [illegible]uding Morgan Grenfell.

The two partners are also anxious [illegible] expand production at Togliattigrad by [illegible] a [illegible] and introduce a new model both for the domestic [illegible] and export.

Robert Graham and Christopher Bobinsky report on the Italian car maker's stepped-up commitment in eastern Europe

Citicorp agrees sale of Italian bank arm

By Alan Friedman in New York

[illegible] Ambrosiano Veneto, the successor bank to Italy's failed Banco Ambrosiano, has agreed to pay L345bn ($276m) to acquire 92.6 per cent of the 46-branch Italian bank subsidiary of Citicorp, the leading US bank.

The sale is part of Citicorp's efforts to raise funds in order to strengthen its capital base. The New York bank said yesterday the deal would have the [illegible] improving risk-adjusted capital by $125m upon completion.

Citibank Italia, with headquarters in Naples, [illegible] acquired by Citicorp in 1985 for $120m. It operates [illegible] in the south [illegible] Italy, and [illegible] deposits [illegible] and [illegible] of $1.7bn.

[illegible] is the largest Italian private-sector bank, with [illegible] branches.

In [illegible] separate [illegible] it [illegible] slashing the [illegible] of [illegible] it [illegible] bearing current accounts, from 4 per [illegible] to [illegible] per cent.

The bank said [illegible] was merely [illegible] to lower [illegible] rates, but other [illegible] were taken by surprise [illegible] reduction, which, they [illegible], was sharper [illegible] fall in market [illegible].

Saudi American Bank up 35% to SR515m

[illegible] Bank, [illegible] joint venture bank [illegible] per [illegible] by Citicorp, [illegible] that its net income had risen to SR515m ($137.3m) in [illegible] nine months to [illegible] end [illegible] September, an increase of 35 per [illegible] from [illegible] period last year, writes Victor Mallet.

With [illegible] Saudi domestic banking [illegible] recovering quickly from [illegible] of [illegible] Iraqi invasion of Kuwait, [illegible] deposits rose by more than 33 per cent to SR26.5bn over the 12 months.

Samba's total [illegible] up 27 per [illegible] SR [illegible], with loans and advances up 24 per cent.

Mr Mehli Mistri, managing director, was happy that the bank's quarterly [illegible] had broken through the SR200m [illegible] for [illegible] first time. [illegible] in Samba's lending [illegible] investment [illegible] September 1990 was focused on Saudi Arabia, he said.

Operating revenues rose 26 per cent [illegible] SR903m, while operating expenses increased by 24 per cent.

Liberty Life plans $141m share issue

By Simon London and Richard Lapper

LIBERTY Life, [illegible] third largest [illegible] company, [illegible] raising [illegible] through [illegible] international [illegible] issue – [illegible] by [illegible] company [illegible] early [illegible].

[illegible] plans [illegible] at [illegible] shares, subject [illegible] approval, although up to [illegible] could be sold [illegible] international [illegible].

The [illegible] just [illegible] Old Mutual, [illegible] largest life assurance company, [illegible]ned plans for [illegible] in South [illegible] equities.

The [illegible] failed to raise its target of $50m from institutional [illegible]. Baring [illegible] and [illegible] Investment Management [illegible] withdrew planned South African equity [illegible].

However, bankers said yesterday a single-equity offering would [illegible] aimed [illegible]. S.G. Warburg [illegible], which is the lead under[illegible] for the Liberty Life issue, anticipated that the core of [illegible] would come from UK institutional investors, with some buying from continental European investors.

The [illegible] also signals Liberty's ambition to increase its presence in Europe, especially in property and life [illegible]. Last month Liberty Life increased its holding in Sun Life, the UK life insurer, which – in alliance with the French insurer, Union des Assurances de Paris – it now controls.

Mr Donald Gordon, Liberty Life's chairman, said yesterday: "The objective of the exercise is to build up a widening circle of [illegible]. When the time arises it would be possible to make [illegible] acquisitions using our paper."

[illegible] added there [illegible] "big opportunities in life [illegible] and real estate. Cash is king."

Priorities included further expansion in the UK, France and Switzerland. The ultimate objective was establish Liberty as an "alpha stock in London".

Liberty Life and UAP channelled [illegible] holdings in [illegible] a [illegible] shell vehicle, Rockleigh Corporation, three weeks ago. Rockleigh [illegible] bought an additional 4.5 per [illegible] stake [illegible] Sun Life, increasing [illegible] joint holding [illegible] nearly [illegible] per cent.

The companies have agreed to make [illegible] £11.60-per-share offer [illegible] outstanding Sun Life shares, once the merger of the [illegible] approved by the UK Department of Trade and Industry and the European Community authorities.

Via [illegible] holdings subsidiary, Liberty also owns [illegible] 75 [illegible] in Capital [illegible] Counties, [illegible] UK property company.

Earnings and [illegible] have grown by more than 20 per [illegible] last 25 [illegible], and the company's capital base [illegible] considerable, according to Mr Derek Elias, analyst with Banque Paribas Capital Markets.

The [illegible] will be underwritten by [illegible] syndicate of banks including Warburg, Paribas Capital Markets, [illegible] Phillips [illegible] Drew, and N M Rothschild.

It is to be priced between October 28 and November 4 at a 5 per cent discount to the prevailing market price [illegible] standing shares [illegible] Johannesburg Stock Exchange, subject [illegible] maximum price [illegible] R37.

Lex, Page 24

Donald Gordon: hopes to build up cash reserve

Advanced Micro Devices advances 14%

By Louise Kehoe in San [illegible]

ADVANCED Micro Devices, the [illegible] manufacturer which [illegible] mounted [illegible] to Intel's dominance [illegible] the personal computer microprocessor market, reported improved third-quarter results, boosted by sales of its [illegible] of the popular Intel [illegible] chip.

Third-quarter [illegible] rose [illegible], a 14 per [illegible] over revenues of [illegible] in the third quarter of 1990, [illegible] 2.5 per cent from this year's second quarter. Net [illegible] for the third quarter was $17.1m before preferred dividend payments.

After dividend [illegible] net income [illegible] cents [illegible] share, slightly below the average of analysts' estimates. In last year's [illegible] quarter, AMD reported losses [illegible] $17.8m before dividend payments, including [illegible] gain of $16.1m from [illegible].

"Surging [illegible] of [illegible] microprocessors and strong growth in networking products helped [illegible] the impact [illegible] declining revenues from lower-margin products," said W.J. Sanders, AMD [illegible] and chief [illegible].

Sales of [illegible] microprocessors, [illegible] in March, have totalled nearly $110m to [illegible]. [illegible] makers, however, AMD has suffered [illegible] sharp decline in [illegible]enues from commodity chips including [illegible] (erasable programmable read-only memories) and bipolar programmable [illegible].

This [illegible] Intel [illegible] in [illegible] legal challenges to AMD's right to sell its version of the 386 microprocessor, charging AMD [illegible] copyright infringement. AMD, however, dismissed the [illegible] litigation", [illegible] a "desperate [illegible] by Intel to protect a crumbling empire".

For the first nine months, AMD reported [illegible] of $850.5m, up from [illegible] a year [illegible] nine-month period was [illegible] 35 cents a share, [illegible] dividends, compared [illegible] $10.6m, or 22 [illegible].

Skopbank slides further with FM475m pre-tax loss

By Enrique [illegible] in Helsinki

SKOPBANK, Finland's fourth largest bank, reported a further deterioration in its financial performance in [illegible] eight months of 1991. [illegible] appropriations [illegible] taxes totalled [illegible] ($115.7m) compared [illegible] loss of FM115.9m in [illegible] same period last year.

The [illegible] of Finland, the country's central bank, took indirect [illegible] of Skopbank four [illegible] responsibility for [illegible] bank's domestic and foreign liabilities, [illegible] as ensuring [illegible] solvency [illegible] liquidity.

In the [illegible] eight months, credit losses surged [illegible] FM344.1m [illegible] FM83.2m.

Mr [illegible] Jannari, Skopbank's newly-appointed [illegible] general manager, said the [illegible] credit loss [illegible] of FM700m in [illegible] optimistic. The banks's financial performance would "weaken significantly [illegible] remaining months", he [illegible].

[illegible] KONE, [illegible] Finnish [illegible] cranes group, reported [illegible] in income before [illegible] and [illegible] in [illegible] eight months [illegible] this year, [illegible] FM201.1m, compared with FM306.1m [illegible] period last year.

[illegible] that price-cutting, [illegible] adapting capacity [illegible] demand, [illegible] capital costs incurred in acquisitions would have a [illegible] impact on the group's [illegible] results.

[illegible] sales rose by 17.3 per [illegible] to [illegible] FM4.77bn. Operating income, which [illegible] from FM505.9m, accounted for [illegible] cent and 10.6 per [illegible] of [illegible] respectively.

Swedish producer hit by 35% decline in pulp price

By John Burton in Stockholm

MODO, Sweden's third largest pulp and paper company, yesterday forecast that it may not make a profit for 1991. It also revealed a 58 per cent fall in earnings after financial items to SKr331m [illegible] for the first eight months of 1991.

MoDo plunged into a loss of SKr102m for the May-August period, after posting [illegible] profit of SKr433m for the first four months, as market conditions weakened dramatically.

It expects that its operations will remain unprofitable during the rest of the year. MoDo had earnings [illegible] SKr1.2bn in 1990.

MoDo's expectations [illegible] the year are worse than forecasts by the country's [illegible] main forestry companies, Stora [illegible] SCA, which both [illegible] their earnings [illegible] around SKr1.5bn.

One [illegible] for [illegible] poorer performance is that it is more dependent on pulp sales to the external market than its Swedish rivals. Pulp prices have fallen by more than 35 per cent this year, leading to an operating loss of SKr205m for MoDo's pulp division during the eight-month period, against a profit of SKr488m a year ago.

Chrysler and Mitsubishi Motors near venture deal

By Robert Thomson in Tokyo

MITSUBISHI Motors, the Japanese car maker, and Chrysler of the US are close to finalising [illegible] agreement for the Japanese company to take control of their US production venture, Diamond Star Motors.

Mitsubishi did not deny Japanese press reports yesterday that it had agreed to buy Chrysler's entire 50 per cent stake, and that [illegible] formal announcement of the estimated $100m purchase would be made later this month.

The purchase would give the ambitious Japanese [illegible] maker more control [illegible] its US operations, which became a priority after [illegible] of successful product releases in [illegible] home market which the company believes will be equally successful in the US.

Mitsubishi, which is strong in bus and truck exports, has been concerned that Chrysler would be unable to meet its share of Diamond Star's estimated $600m cost of developing new vehicles over the next few years.

Diamond Star, formed in October 1985, is based in Normal, Illinois, where it has facilities capable of producing 240,000 cars annually. The joint venture has produced cars such as the Mitsubishi Eclipse and the Eagle Summit sedan.

Apart from concerns about Chrysler's ability to meet development costs, Mitsubishi has been irritated by regular criticism of Japanese car makers by Mr Lee Iacocca, Chrysler's chairman. He has called for limits on their share of the US market in order to give US producers a chance to regroup.

Mitsubishi reported a 21 per cent increase in pre-tax profits in the year to end-March, but the slowing of domestic sales has encouraged it to devote more attention to foreign markets. The company recently chose a partnership with Volvo in the Netherlands as its European production base.

General Cinema sees $20m gain

GENERAL Cinema, the large US cinema and retailing chain, said yesterday it expected to realise a $20m pre-tax gain as a result of the planned redemption of certain debentures, exchangeable for Cadbury-Schweppes shares, writes Nikki Tait in New York.

The company said it would redeem its 5 per cent subordinated exchangeable debentures due 2002 at 102 per cent of their face value, together with interest to date of redemption – November 11.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on [illegible]	[illegible]	High 1991	Low 1991
Gold [illegible] troy oz.	[illegible]	[illegible]	[illegible]	$392.25	[illegible]
Silver [illegible] troy oz	[illegible]	-0.9	[illegible]	280.55	183.35p
Aluminium [illegible] (cash)	$1114.5	[illegible]	[illegible]	[illegible]	$1099.5
Copper G[illegible] (cash)	[illegible]	+11	£1371.0	£1472	[illegible]
Lead(cash)	£302.[illegible]	-6.25	£394.5	£382.5	£292.5
Nickel (cash)	$7500	+35	[illegible]	[illegible]	$7465
Zinc SHG (cash)	[illegible]	[illegible]	[illegible]	[illegible]	$990.25
Tin [illegible]	[illegible]	+15	$6205.0	$5915	$5470
Cocoa Futures (Mar)	[illegible]	+4	[illegible]	£824	£596
Coffee Futures (Jan)	£537	+21	[illegible]	£613	£492
Sugar (LDP Raw)	$232.[illegible]	+1.3	[illegible]	$293	$194
Barley [illegible] (Jan)	[illegible]	+0.90	[illegible]	[illegible]	[illegible]
[illegible] (Jan)	[illegible]	+1.30	[illegible]	£141.10	£111.80
Cotton Outlook A [illegible]	[illegible]	-0.70	[illegible]	88.25c	68.45c
Wool (64s Super)	335p	-6	418p	421p	329p
Oil (Brent Blend)	$21.875x	[illegible]	$37.625	$29.15	$16.75

[illegible] tonne [illegible] c-cents [illegible]

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
[illegible]	[illegible]	22.96	23.07	22.80
Dec	22.84	22.81	22.92	22.74
Jan	[illegible]	22.60	22.70	22.55
Feb	[illegible]	22.38	22.47	22.33
Apr	[illegible]	21.88	21.96	21.85
[illegible]	21.72	21.68	21.76	21.67
Jun	[illegible]	21.53	0	0

HEATING OIL 42,000 [illegible] galls, [illegible] galls

	Latest	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	6760	6705
[illegible]	[illegible]	6850	6865	6815
Jan	6845	6869	6880	6845
[illegible]	[illegible]	6705	6710	6675
[illegible]	6400	6408	6410	6400
Apr	6110	6131	6110	6100
May	5930	5958	[illegible]	[illegible]
Jul	5790	5788	[illegible]	[illegible]
[illegible]	5840	5836	0	0

COCOA [illegible]

	[illegible]	[illegible]	High/Low	
Dec	1266	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	1328	1313
[illegible]	1352	[illegible]	[illegible]	1346
Jul	1380	1377	0	0
Sep	1403	1406	1410	1400
Dec	1442	1440	1430	1430
Mar	1475	1473	0	0
May	1500	1498	0	0
Jul	1525	1523	0	0

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Nov	545/4	570/0	547/0	540/0
Jan	556/0	580/4	558/0	550/4
Mar	565/6	591/4	568/0	561/4
May	576/4	600/4	577/0	570/4
Jul	584/0	607/6	585/0	577/6
Aug	584/0	607/0	584/0	579/0
Sep	575/0	592/0	576/0	572/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Oct	19.23	20.02	19.34	19.07
Dec	19.44	20.32	19.62	19.32
Jan	19.66	20.50	19.78	19.55
Mar	19.96	20.80	20.15	19.81
May	20.21	21.07	20.42	20.08
Jul	20.52	21.35	20.70	20.45
Aug	20.63	21.45	20.75	20.63
Sep	20.75	21.60	20.85	20.75

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Oct	179.4	185.6	179.5	176.0
Dec	177.2	183.7	177.5	173.7
Jan	176.1	182.4	176.5	173.2
Mar	174.7	181.2	175.0	172.0
May	173.4	179.5	173.5	170.7
Jul	172.9	179.3	174.0	170.5
Aug	173.0	179.5	173.5	172.3
Sep	173.0	179.0	174.0	172.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Dec	249/0	249/6	250/0	242/0
Mar	259/4	258/4	261/0	250/6
May	265/4	264/2	266/0	257/2
Jul	268/0	269/2	269/0	261/0
Sep	259/0	259/2	260/0	258/0
Dec	256/2	255/6	257/0	251/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Dec	347/0	341/6	347/4	334/0
Mar	349/6	343/6	349/4	337/4
May	341/2	336/6	342/0	330/0
Jul	324/6	322/6	326/6	317/0
Sep	330/6	329/0	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

LIVE HOGS 30,000 lb; cents/lb

PORK BELLIES 40,000 lbs; cents/lb

London Markets

SPOT MARKETS

SUGAR – London FOX

COCOA – London FOX

POTATOES – London FOX

SOYAMEAL – London FOX

FREIGHT – London FOX

GRAINS – London FOX

PIGS – London FOX

CRUDE OIL – IPE

GAS OIL – IPE

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

LONDON BULLION MARKET

GOLD COINS

TRADED OPTIONS

New York

GOLD 100 troy oz.; $/troy oz.

PLATINUM 50 troy oz; $/troy oz.

SILVER 5,000 troy oz; cents/troy oz.

HIGH GRADE COPPER 25,000 lbs; cents/lbs

COFFEE "C" 37,500lbs; cents/lbs

SUGAR WORLD "11" 112,000 lbs; cents/lbs

COTTON 50,000; cents/lbs

ORANGE JUICE 15,000 lbs; cents/lbs

INDICES

REUTERS (Base: 18/9/31 = 100)

DOW JONES (Base: Dec. 31 1974 = 100)

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar awaits US rate change

THE dollar moved erratically yesterday [redacted] the latest statistics confirmed that the US economy [redacted] moving very slowly out of recession. But with no sign from the Federal Reserve that it plans an immediate reduction in interest rates the market was left to ponder on the outlook for the dollar.

A 0.1 per cent increase in producer prices in September was lower than most economists' forecasts. Once the volatile energy and food components [redacted] stripped out, core inflation only [redacted] by 0.2 per cent.

This small rise in core inflation encouraged speculation that the Federal Reserve will soon ease monetary policy. Federal Reserve governors have recently stipulated that a reduction in core inflation is a condition for further cuts in interest rates.

There were no immediate signs that the Federal Reserve had eased yesterday. In its open market [redacted] the Fed drained liquidity. But the key Federal Funds [redacted] continued to trade at 5⅛ per cent, below the [redacted] presumed target of 5¼ [redacted] cent.

The dollar initially moved higher after [redacted] figures were released amid talk that [redacted] major Chicago-based investor [redacted] actively buying the [redacted] currency. [redacted] dollar managed to hold [redacted] some of the gains after the Fed left rates unchanged.

The dollar had begun the European day lower after a busy [redacted] in the Asian markets where active selling of D-Marks for yen drove the [redacted] currency down.

The mark-yen cross rate is playing an increasingly important role in currency markets, often acting as a leading indicator for movements in the dollar. The mark closed in London at Y76.59 from Y76.94.

The mark's weakness against the yen has been caused partly by speculation that the Group of Seven [redacted] ing at their meeting in Bangkok will agree to revalue the yen.

There [redacted] been disappointment that [redacted] Bundesbank has not taken [redacted] harder line against inflation by tightening monetary policy.

However, there are signs that the Bundesbank may be about to move to a more active monetary policy. Mr Helmut Schlesinger, president of the Bundesbank, said in an interview on Thursday that the [redacted] tral bank is considering smaller, but [redacted] frequent changes in the Lombard rate.

The [redacted] closed lower [redacted] DM1.6925 from DM1.6940; at Y129.75 from 130.35; was unchanged [redacted] and rose to SFr1.4830 from SFr1.4820.

Sterling was steady [redacted] Bank [redacted] England's intervention earlier in [redacted] week. It closed higher [redacted] from DM2.9050; at $1.7195 from $1.7155; at SFr2.5500 from SFr2.5425; and [redacted] FFr9.9225 from [redacted]

£ IN NEW YORK

Oct.11	Latest	Previous Close
Spot	1.7210-1.7220	1.7148-1.7158
1 month	0.77-0.75pm	0.77-0.75
3 months	2.09-2.06pm	2.08-2.05pm
12 months	7.13-7.03pm	7.14-7.04pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Oct.11	Previous
8.30 am	90.3	90.3
9.00 am	90.2	90.3
10.00 am	90.3	90.2
11.00 am	90.3	90.3
Noon	90.3	90.3
1.00 pm	90.3	90.3
2.00 pm	90.3	90.3
3.00 pm	90.3	90.4
4.00 pm	90.4	90.3

CURRENCY MOVEMENTS

Oct 11	Bank of England Index	Morgan** Guaranty Changes %
Sterling	90.4	-21.1
US Dollar	64.5	-14.8
Canadian Dollar	106.6	+4.9
Austrian Schilling	109.0	+11.5
Belgian Franc	110.6	-8.4
Danish Krone	108.4	+3.2
D-Mark	117.0	+23.8
Swiss Franc	109.0	+17.8
Guilder	113.3	+15.5
French Franc	102.0	-13.6
[illegible]	98.4	-19.9
[illegible]	143.6	+76.5

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base average 1985=100). **Rates are for Oct.10

CURRENCY RATES

Oct 11	Bank rate %	Special* Drawing Rights	European † Currency Unit
Sterling	–	[redacted]	0.703649
US Dollar	5.00	[redacted]	1.20430
Canadian $	8.46	[redacted]	1.36025
Austrian Sch	7.50	[redacted]	14.4106
Belgian Franc	8.00	[redacted]	42.1714
Danish Krone	9.50	[redacted]	7.89416
D-Mark	7.50	[redacted]	2.04791
Dutch Guilder	8.00	[redacted]	2.30743
French Franc	10½	[redacted]	6.97709
Italian Lira	11½	[redacted]	1530.66
Japanese Yen	5.50	[redacted]	156.482
Norway Krone	8	[redacted]	8.01543
Spanish Peseta	–	[redacted]	129.338
Swedish Krona	10.00	[redacted]	7.46302
Swiss Franc	7.00	2.01140	1.79380
Greek Drach	19	N/A	227.793
Irish Punt	–	N/A	0.765848

* Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Oct.10

OTHER CURRENCIES

Oct 11	£	$
Argentina	16938.9 - 16965.9	9900.00 - 9910.00
Australia	2.1530 - 2.1550	1.2550 - 1.2560
Brazil	973.500 - 974.580	567.800 - 568.100
Finland	7.1130 - 7.1365	4.1420 - 4.1450
Greece	320.650 - 325.800	186.870 - 189.860
Hong Kong	13.2760 - 13.2925	7.7410 - 7.7430
Iran	115.50*	67.00*
Korea(Sth)	1276.05 - 1296.60	746.20 - 755.20
Kuwait	0.49210 - 0.49260	0.28865 - 0.28875
Luxembourg	59.85 - 59.95	34.80 - 34.90
Malaysia	4.6995 - 4.7075	2.7450 - 2.7470
Mexico	5249.10 - 5254.10	3061.00 - 3063.00
N. Zealand	3.0110 - 3.0145	1.7650 - 1.7670
Saudi Ar	6.4050 - 6.4815	3.7500 - 3.7510
Singapore	2.9000 - 2.9070	1.6920 - 1.6940
S. Af (Cm)	4.8390 - 4.8505	2.8275 - 2.8290
S. Af (Fn)	5.3815 - 5.3645	3.0960 - 3.1445
Taiwan	45.20 - 46.30	26.50 - 26.55
U.A.E.	6.2770 - 6.3480	3.6715 - 3.6735

* Selling rate.

FORWARD RATES AGAINST STERLING

	Spot	1 mth	3 mths	6 mths	12 mths
Dollar	1.7195	1.7120	1.6989	1.6809	1.6487
D-Mark	2.9100	2.9071	2.9039	2.9004	2.8917
French Fr.	9.9225	9.8290	9.9016	9.8887	9.8607
Swiss Fr.	2.5500	2.5454	2.5379	2.5278	2.5044
Yen	223.25	222.56	221.18	219.21	214.87

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Oct. 11	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	129.338	-3.21	4.55	56
Belgian Franc	42.4032	42.1714	-0.55	1.75	30
Italian Lira	1538.24	1530.66	-0.49	1.69	28
D-Mark	2.05586	2.04791	-0.39	1.58	29
Dutch Guilder	2.31643	2.30743	-0.39	1.58	22
Irish Punt	0.767417	0.765848	-0.20	1.40	12
Danish Krone	7.84195	7.89416	0.67	0.52	-27
Sterling	0.696904	0.703649	0.97	0.22	-19
French Franc	6.89509	6.97709	1.19	0.00	-61

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Oct 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7085 - 1.7245	1.7190 - 1.7200	0.76-0.74cpm	5.23	2.08-2.05pm	4.80
Canada	1.9320 - 1.9425	1.9410 - 1.9420	0.39-0.32cpm	2.19	1.05-0.94pm	2.05
Netherlands	3.2705 - 3.2875	3.2775 - 3.2875	¼-¼cpm	1.14	¾-½pm	0.76
Belgium	59.70 - 60.05	59.85 - 59.95	10-5cpm	1.50	19-13pm	1.07
Denmark	11.1865 - 11.2525	11.2100 - 11.2200	1-½orepm	0.74	2¼-1¾pm	0.60
Ireland	1.0870 - 1.0885	1.0870 - 1.0880	0.02-0.07pdis	-0.50	0.01-0.11dis	-0.22
Germany	2.9060 - 2.9130	2.9075 - 2.9125	¼-¼pfpm	1.29	¾-½pm	0.86
Portugal	249.00 - 250.70	249.70 - 250.70	10-55cdis	-1.56	113-168dis	-2.41
Spain	183.40 - 184.20	183.60 - 183.90	9-37cdis	-1.50	87-105dis	-2.09
Italy	2169.45 - 2177.75	2176.75 - 2177.75	par-2liredis	-0.55	5-7dis	-1.10
Norway	11.3565 - 11.3995	11.3825 - 11.3925	¼-¼orepm	0.40	¾-½pm	0.15
France	9.8960 - 9.9345	9.9175 - 9.9275	1-¾cpm	1.06	2¾-1¾pm	0.81
Sweden	10.5740 - 10.6210	10.6000 - 10.6100	par-¼oredis	-0.35	1-1¼dis	-0.52
Japan	222.35 - 223.75	222.75 - 223.75	¾-¾ypm	3.70	2-1¾pm	3.47
Austria	20.42 - 20.49	20.46 - 20.49	2¼-1¼gropm	1.06	4½-2¼pm	0.65
Switzerland	2.5430 - 2.5550	2.5450 - 2.5550	½-¼cpm	2.06	1¼-1¼pm	1.86
Ecu	1.4145 - 1.4240	1.4195 - 1.4205	0.10-0.06cpm	0.63	0.16-0.09pm	0.35

Commercial rates taken towards the end of London trading. Six-month forward dollar 3.89-3.84cpm. 12 Month 7.12-7.02pm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Oct 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7085 - 1.7245	1.7190 - 1.7200	0.76-0.74cpm	5.23	2.08-2.05pm	4.80
Ireland†	1.5710 - 1.5805	1.5775 - 1.5785	0.64-0.59cpm	4.68	1.84-1.74pm	4.54
Canada	1.1280 - 1.1300	1.1290 - 1.1300	0.30-0.33cdis	-3.35	0.76-0.81dis	-2.78
Netherlands	1.9000 - 1.9165	1.9080 - 1.9090	0.64-0.67cdis	-4.12	1.84-1.89dis	-3.91
Belgium	34.80 - 35.05	34.80 - 34.90	10.80-12.80cdis	-4.06	31.00-36.00dis	-3.85
Denmark	6.5030 - 6.5625	6.5200 - 6.5250	2.30-2.60oredis	-4.51	6.55-7.15dis	-4.20
Germany	1.6860 - 1.7030	1.6920 - 1.6930	0.57-0.58cdis	-4.08	1.68-1.70dis	-3.99
Portugal	145.55 - 145.95	145.85 - 145.95	78-85cdis	-6.70	263-278dis	-7.42
Spain	106.50 - 107.60	106.85 - 106.95	65-71cdis	-7.63	182-192dis	-7.00
Italy	1262.50 - 1273.75	1266.00 - 1266.50	6.00-6.50liredis	-5.92	18.10-19.10dis	-5.88
Norway	6.6160 - 6.6600	6.6200 - 6.6250	2.65-2.95oredis	-5.07	7.75-8.25dis	-4.83
France	5.7450 - 5.8025	5.7675 - 5.7725	1.96-2.01cdis	-4.13	5.72-5.82dis	-4.00
Sweden	6.1435 - 6.9095	6.1690 - 6.1700	2.70-2.95oredis	-5.50	7.95-8.40dis	-5.30
Japan	129.50 - 130.10	129.70 - 129.80	0.16-0.17ydis	-1.53	0.34-0.35dis	-1.06
Austria	11.8900 - 11.9700	11.9200 - 11.9250	3.90-4.30grodis	-4.13	11.70-13.00dis	-4.14
Switzerland	1.4760 - 1.4925	1.4825 - 1.4835	0.37-0.38cdis	-3.03	1.04-1.07dis	-2.85
Ecu	1.2015 - 1.2110	1.2090 - 1.2100	0.48-0.44cpm	4.56	1.36-1.29pm	4.38

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Oct 11	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10⅝ - 10⅜	10½ - 10⅜	10⅜ - 10¼	10⅜ - 10¼	10¼ - 10⅛	10¼ - 10⅛
US Dollar	5¼ - 5⅛	5⅜ - 5¼	5⅜ - 5¼	5⅜ - 5¼	5½ - 5⅜	5¾ - 5⅝
Can. Dollar	8¾ - 8½	8⅝ - 8½	8⅝ - 8½	8 - 7¾	8 - 7¾	8 - 7¾
Dutch Guilder	9¼ - 9⅛	9⅜ - 8⅞	9¼ - 9⅛	9⅜ - 9¼	9⅜ - 9¼	9⅜ - 9¼
Swiss Franc	8¼ - 8	8¼ - 8	8¼ - 8⅛	8⅜ - 8¼	8¼ - 8	8⅛ - 8
D-Mark	9¼ - 9⅛	9¼ - 9⅛	9¼ - 9⅛	9⅜ - 9¼	9⅜ - 9¼	9⅜ - 9¼
French Franc	9⅛ - 9	9⅛ - 9	9¼ - 9⅛	9⅜ - 9¼	9½ - 9⅜	9½ - 9⅜
Italian Lira	12 - 10	11½ - 10½	11½ - 10¾	11½ - 11	11½ - 11¼	11⅝ - 11⅜
Belgian Franc	9½ - 9¼	9½ - 9¼	9½ - 9¼	[illegible] - 9¼	9⅝ - 9½	9⅝ - 9½
Yen	6⅞ - 6⅝	6⅞ - 6⅝	6¾ - 6⅝	[illegible] - 6½	6⅝ - 6½	6⅛ - 6
Danish Krone	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝	9⅞ - 9⅝
Asian $Sing	3⅞ - 3⅝	3¾ - 3⅝	4⅛ - 4	4⅛ - 4⅛	4⅛ - 4⅛	4⅛ - 4⅛

Long term Eurodollars: two years 6⅛-6⅛ per cent; three years 6⅝-6½ per cent; four years 7¼-7⅛ per cent; five years 7½-7⅜ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Oct.11	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	ECU
£	1	1.720	[redacted]	223.3	[redacted]	2.550	[redacted]	[redacted]	1.942	[redacted]	1.420
$	[redacted]	1	1.692	[redacted]	[redacted]	[redacted]	[redacted]	1266	1.129	[redacted]	0.826
DM	0.344	0.591	1	[redacted]	[redacted]	[redacted]	[redacted]	748.1	0.667	[redacted]	0.488
YEN	4.478	[redacted]	13.03	1000.	[redacted]	11.42	14.70	[redacted]	[redacted]	[redacted]	6.359
F Fr.	1.008	1.733	[redacted]	225.0	10.	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1.431
S Fr.	0.392	[redacted]	1.141	[redacted]	[redacted]	1	[redacted]	853.7	[redacted]	23.49	0.557
H Fl.	0.305	[redacted]	[redacted]	[redacted]	3.023	[redacted]	1	[redacted]	0.592	18.25	0.433
Lira	0.459	[redacted]	[redacted]	[redacted]	[redacted]	1.171	1.508	[redacted]	[redacted]	27.51	0.652
C$	0.515	[redacted]	[redacted]	115.0	5.110	[redacted]	1.691	1121	1	30.84	0.731
B Fr.	1.669	2.871	4.858	[redacted]	[redacted]	[redacted]	5.481	3634	[redacted]	[redacted]	2.371
ECU	0.704	1.211	[redacted]	157.3	[redacted]	[redacted]	2.312	1533	1.368	42.18	1

[redacted] per 1,000: French Fr. per 10: Lira [redacted] 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS; LIFFE US TREASURY BOND FUTURES OPTIONS; LIFFE BUND FUTURES OPTIONS; LIFFE EUROMARK OPTIONS; LIFFE EURODOLLAR OPTIONS; LIFFE SHORT STERLING OPTIONS

LONDON (LIFFE): 20-YEAR 9% NOTIONAL GILT; US TREASURY BONDS 8%; 6% NOTIONAL GERMAN GOVT. BOND; 6% NOTIONAL LONG TERM JAPANESE GOVT. BOND; 9% NOTIONAL ECU BOND; 12% NOTIONAL ITALIAN GOVT. BOND (BTP); THREE MONTH STERLING; THREE MONTH EURODOLLAR; THREE MONTH EUROMARK; THREE MONTH ECU; THREE MONTH EURO SWISS FRANC; FT-SE 100 INDEX; FT-SE EUROTRACK 100 INDEX

Estimated volume 40 (18)
Previous day's open int. 255 (248)

* Contracts traded on APT after trading hours

CHICAGO: U.S. TREASURY BONDS (CBT) 8%; JAPANESE YEN (IMM); DEUTSCHE MARK (IMM); U.S. TREASURY BILLS (IMM); THREE-MONTH EURODOLLAR (IMM); BRITISH POUND (IMM); SWISS FRANC (IMM); STANDARD & POORS 500 INDEX; PHILADELPHIA SE £/$ OPTIONS

PARIS: 7 TO 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES; 5 TO 10 YEAR 10% ITALIAN LONG TERM CONTRACT (MATIF) FUTURES; THREE-MONTH PIBOR FUTURES (MATIF); CAC-40 FUTURES (MATIF) Stock Index; ECU BOND (MATIF)

Estimated volume 2,747 Total Open Interest 4,712

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls December	Calls March	Calls June	Puts December	Puts March	Puts June
105	2.28	–		0.11	0.40	–
106	1.40	1.89	–	0.25	0.67	–
[illegible]	[illegible]	1.29	1.77	0.56	1.06	–
108	[illegible]	0.64	–	1.15	–	–
Open Int.	[illegible]	44,844	2,520	82,472	37,815	8,573

Estimated volume 41,328 Total Open Interest 275,550

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7195	1.7120	1.6989	1.6809	1.6487

BANK RETURN

BANKING DEPARTMENT	Wednesday [redacted] 9, 1991		Increase or [redacted]
LIABILITIES	£		£
Capital	14,553,000		
Public Deposits	114,444,617	+	636,367
Bankers Deposits	1,750,938,446	+	78,124,756
Reserve and other Accounts	3,159,939,035	-	264,536,013
	5,039,875,098	-	185,874,890
ASSETS			
Government Securities	1,285,380,591	+	91,365,000
Advance and other Accounts	2,378,455,977	-	117,463,287
Premises Equipment & other Secs	1,371,105,112	-	152,363,012
Notes	4,741,530	-	7,406,969
Coin	191,888	-	6,612
	5,039,875,098	-	185,874,890
ISSUE DEPARTMENT			
LIABILITIES			
Notes in circulation	15,925,258,470	-	[redacted]
Notes in Banking Department	4,741,530	-	7,406,969
	15,930,000,000	-	[redacted]
ASSETS			
Government Debt	11,015,100		
Other Government Securities	11,707,031,459	-	[redacted]
Other Securities	4,211,953,441	+	[redacted]
	15,930,000,000	-	60,000,000

MONEY MARKETS

UK rates steady

UK MONEY [redacted] remained firm yesterday as liquidity was in shorter supply on the London money market. The key three months inter-bank rate was unchanged [redacted] 10⅛-⅛ per cent.

The fall in sterling this week has [redacted] an early reduction in interest rates; indeed there is now less certainty that the next move in rates will be down.

But the general consensus in the market is that if sterling stabilises a cut in rates could take place towards the end of the year, although there is more talk that the government may [redacted] to wait until the beginning of next year before a rate move is possible.

The [redacted] UK inflation figures did little to help [redacted] sterling money markets. With inflation in the year to September down to 4.1 per cent from 4.7 per cent and comparable to German levels the economic conditions are now firmly in place for a further reduction in base rates.

However, unless there is a period of sterling stability, the monetary authorities will not be able to risk an early rate cut. This was underlined by Mr Norman Lamont, [redacted] chancellor of the exchequer, who said on Thursday that he would not take any risks with sterling.

Once again the futures market was not so cautious on the outlook for interest rates. The December short sterling contract rose 5 points to 90.00, implying a ½ point cut in base rates to 10 per cent by the end of the year.

The upward move in money market rates was caused by a technical factor: the Bank of England was unable to provide sufficient liquidity to meet its daily credit needs.

Initially, the Bank forecasted a money market shortage of £800m. This was less than most dealers had anticipated and consequently rates began to ease.

During the morning, the Bank bought £600m of band 2 bank bills at 10⅜ per cent. After lunch, it was only offered a further £8m of bank bills - £3m in band 1 and £5m in band 2 - and with the shortage now revised to £1bn rates began to harden again as it became clear that the market was going to be left short.

Late assistance of £260m was provided, bringing total assistance to £928m and leaving [redacted] market nearly £70m short. By the close, rates were back up to the previous day's closing levels and this was reinforced by sterling's lacklustre performance.

UK clearing bank base lending rate 10.5 per cent from September 4, 1991

FT LONDON INTERBANK FIXING

(11.00 a.m. Oct 11) 3 months US [redacted]		6 months US Dollars	
bid [redacted]	offer 5½	bid 5¼	offer 5½

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Lunchtime		Treasury Bills and Bonds			
Prime rate	8	One month	5.05	Three year	6.15
Broker loan rate	7	Two month	5.13	Four year	6.45
Fed.funds	5	Three month	5.11	Five year	6.80
Fed.funds at intervention	-	Six month	5.21	Seven year	7.19
		One year	5.31	10-year	7.48
		Two year	5.89	30-year	7.89

Oct.11	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.05-9.15	9.00-9.15	9.05-9.20	9.20-9.35	9.25-9.40	9.25
Paris	8⅞-8⅞	9¼-9¼	9⅜-9⅜	9¼-9¾	9⅜-9⅜	9.25
Zurich	7¾-7¾	8-8¼	-	8-8¼	-	-
Amsterdam	9.06-9.12	9.15-9.18	-	9.25-9.31	-	-
Tokyo	6⅞-6⅞	6¾-6⅞	-	6⅝-6½	-	-
Milan	10¾-11	11¼-11⅜	-	11½-11⅜	-	-
Brussels	9.12-9.25	9¼-9¼	-	9¼-9⅜	-	-
Dublin	10-10¼	10-10¼	10¼-10¼	10¼-10¼	10⅜-10⅜	-

LONDON MONEY RATES

Oct 11	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	11	10⅝	10¼	10⅜	10⅜	10¼
Interbank Bid	10¼	10⅜	10⅛	10⅛	10⅛	10⅛
Sterling CDs	–	–	10⅜	10⅜	10¼	10⅛
Local Authority Deps.	11	10⅜	10½	10¼	10¼	10⅜
Local Authority Bonds	–	–	–	–	–	–
Discount Mkt Deps	11	10⅜	–	–	–	–
Company Deposits	–	–	10⅜	10⅜	10⅜	10⅜
Finance House Deposits	–	–	10½	10⅜	10¼	10⅛
Treasury Bills (Buy)	–	–	10¼	9⅞	9⅞	–
Bank Bills (Buy)	–	–	10¼	10	9⅞	–
Fine Trade Bills (Buy)	–	–	–	–	–	–
Dollar CDs	–	–	5.25	5.35	5.35	5.60
SDR Linked Dep. Offer	–	–	7⅛	7⅛	7⅛	7⅛
SDR Linked Dep. Bid	–	–	7	7	7	7
ECU Linked Dep. Offer	–	–	9⅞	9⅞	9⅞	9⅞
ECU Linked [redacted] Bid	–	–	9⅞	9⅞	9⅞	9⅞

Treasury Bills (sell); one-month 10⅛ per cent; three months 9⅞ per cent; six months 9⅞ per cent; Bank Bills (sell): one-month 10⅜ per cent; three months 9⅞ per cent; Treasury Bills; Average tender rate of discount 9.8476 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day September 30, 1991. Agreed rates for period Oct.26, 1991 to November 25, 1991, Scheme I: 11.70 p.c., Schemes II & III: 11.64 p.c. Reference rate for period August 31, 1991 to September 30, 1991, Scheme IV&V: 10.351 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from September 1, 1991: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5, 1991. Deposits withdrawn for cash 5 per cent.

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	Midland Bank	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Mount Banking	10.5
AIB Bank	10.5	Dunbar Bank PLC	10.5	NatWestminster	10.5
● Henry Ansbacher	10.5	Duncan Lawrie	10.5	Northern Bank Ltd	10.5
B & C Merchant Bank	10.5	Equatorial Bank plc	10.5	Nykredit Mortgage Bank	11
Bank of Baroda	10.5	Exeter Bank Limited	11	Provincial Bank PLC	14
Banco Bilbao Vizcaya	10.5	Financial & Gen. Bank	11	Roxburghe Bank Ltd.	11.5
Bank of Cyprus	10.5	First National Bank Plc.	14	Royal Bk of Scotland	10.5
Bank of Ireland	10.5	● Robert Fleming & Co.	10.5	● Smith & Williamson Secs.	10.5
Bank of India	10.5	Robert Fraser & Ptnrs.	11	Standard Chartered	10.5
Bank of Scotland	10.5	Girobank	10.5	TSB	10.5
Banque Belge Ltd	10.5	● Guinness Mahon	10.5	Unibank plc	10.5
Barclays Bank	10.5	● Hambros Bank	10.5	● United Bk of Kuwait	10.5
Benchmark Bank	11	Hampshire Trust Plc	13.5	Unity Trust Bank Plc	10.5
Brit Bk of Mid East	10.5	Heritable & Gen Inv Bnk.	10.5	Western Trust	10.5
● Brown Shipley	10.5	● Hill Samuel	10.5	Westpac Bank Corp.	10.5
CL Bank Nederland	10.5	C. Hoare & Co.	10.5	Whiteaway Laidlaw	10.5
Citibank NA	10.5	Hongkong & Shanghai	10.5	Yorkshire Bank	10.5
City Merchants Bank	10.5	● Leopold Joseph & Sons	10.5		
Clydesdale Bank	10.5	Lloyds Bank	10.5		
Co-operative Bank	10.5	Meghraj Bank Ltd	10.5		
Coutts & Co	10.5	McDonnell Douglas Bnk.	10.5		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKET FUNDS

Money Market Trust Funds

CAF Money Management Co Ltd; The COIF Charities Deposit Account; Cent. Bd. of Fin. of Church of England; Gartmore Money Management Ltd

Money Market Bank Accounts

AIB Bank High Interest Cheque Account; Aitken Hume Bank plc; Allied Trust Bank Ltd; American Express Bank Ltd; Bank of Ireland High Interest Cheque Acc; Bank of Scotland; Barclays Capital Advantage Account; Barclays Prime Account H.I.C.A.; Benchmark Bank PLC Premier Account; Brown Shipley & Co Ltd; Caledonian Bank Plc; Cater Allen Ltd; Charterhouse Bank Limited; Clydesdale Bank PLC; Co-operative Bank; Co-operative Bank—Contd.; Coutts & Co; Darlington & Co Ltd Investment HICA; Financial & General Bank plc; Garbury Money Management Ltd; Girobank plc High Interest Cheque Acc; Halifax Bldg Soc Asset Reserve Cheque Acc; Julian Hodge Bank Ltd; Humberclyde Finance Group; Kleinwort Benson Ltd; Lloyds Bank — Investment Account; Midland Bank plc; NatWest Crown Reserve Account; Provincial Bank PLC; Royal Bank of Scotland plc Premium Acc; Save & Prosper/Robert Fleming; Sterling Bank & Trust Ltd; Tyndall & Co Ltd; United Dominions Trust Ltd; J. Henry Schroder Wagg & Co Ltd; Wimbledon & South West Finance PLC

LONDON STOCK EXCHANGE: Dealings

Details [redacted] with consent from last Thursday's [redacted] Exchange Official List [redacted] should [redacted] reproduced [redacted] permission.

[redacted] to [redacted] not included in the FT [redacted] Information [redacted]

Unless otherwise [redacted] prices [redacted] in [redacted] The prices [redacted] those at which the business was done in the 24 hours up to 5 pm on Thursday [redacted] through [redacted] Stock Exchange Talisman [redacted] they are not in [redacted] of [redacted] but in ascending order [redacted] day's *highest and* [redacted] *dealings.*

For [redacted] in which no [redacted] was [redacted] in Thursday's Official List the latest [redacted] in the four [redacted] days is given with the relevant date.

Rule [redacted] Third Market [redacted] regulated by [redacted] International [redacted] Exchange [redacted] United Kingdom [redacted] the [redacted] *Ireland Ltd.*

‡ Bargains at special prices. [redacted] the previous day.

British Funds, [redacted]
No. of bargains included 2024

Exchequer 10¼% Stk 2005 – £107¾ (7Oc91)
Guaranteed Export Finance Corp [redacted] 12¾% Gtd Ln Stk 2002(Reg) – £115¾

Corporation and County Stocks
No. of bargains included 5

Greater London Council 6[redacted] Stk 90/92 – £98¾
Birmingham [redacted] – £25 (4Oc91)
Leeds(City of) 13½% Red Stk 2006 – £116½ (9Oc91)
Nottingham Corp 3% Stk (Irrd) – £28 [redacted]

UK Public [redacted]
[redacted] included 2

Agricultural Mortgage [redacted] % Deb Stk 93/95 – £92
6¾% Deb Stk 92/94 – £89½ (8Oc91)
7¾% Deb Stk 91/93 – £94½ (8Oc91)
10¼% Deb Stk 92/95 – £98
Metropolitan Water Metropolitan Water 3% A Stk 63/2003 – £52 (8Oc91)
Port of London Authority 3% Port of London A Stk 29/99 – £82½ 4% (8Oc91)

Foreign Stocks, Bonds, etc–(coupons payable in London)
No. of bargains included 103

Ireland(Republic of) 9¾% Stk 91/96 – £98½ (8Oc91)
Abbey National PLC 8⅝% Bds 1993 – $103 (8Oc91)
Abbey National Treasury [redacted] 1995(Br£1000,10000&100000) – [redacted]
Argyll Group PLC 4½% Cnv Bds 2002 – £1[redacted]
Asda Finance Ld 10¾% Cnv Cap Bds2005(Br £5000&100000) – £73½ [redacted]
ASDA Group PLC 4¾% Cnv Bds [illegible]

25/6/95 – £101 (8Oc91)
Queensland Treasury Corp $A3m 12% Nts 25/6/2001 – £109½

Sterling [redacted] by Overseas Borrowers
No. [redacted]

Asian Development Bank 10¼% Ln Stk 2009(Reg) – £99¾
[redacted] of 11½% Ln Stk [redacted] – £104¾ [redacted]
[redacted] overnment [redacted] % Ln Stk [redacted] – £106 (4Oc91)
Caisse Centrale De Cooperation Econ 12¼% Gtd Ln Stk 2013(Reg) – £116¾ 7
Credit Foncier De France 10[redacted] 1,12,13,14(Reg) – £101¾ (7Oc91)
[redacted] – £105½ (7Oc91)
13½% Gtd Nts 1993(Br) – £106 (7Oc91)
Denmark(Kingdom of) 13% Ln Stk 2005 – £118
[redacted] de France 12¼% Gtd Ln Stk 2006(Reg) – [redacted]
11½% Gtd Ser Ln Stk [redacted] – £112½
European Investment Bank 9% Ln Stk 2001 (Reg) – £93
[redacted] % Ln Stk [redacted] – [redacted]
10¼% Ln Stk 2004(Reg) – £101 ¾ (9Oc91)
11% Ln Stk 2002(Reg) – [redacted]
Finland(Republic of) 11½% Ln Stk 2009 (Reg) – £108¾ (8Oc91)
Hydro-Quebec [redacted] Ln Stk 2015 – [redacted]
15% Ln Stk [redacted] – [redacted]
Iceland(Republic of) [redacted] Ln Stk 2016 – [redacted]
Inco Ld [redacted] Uns Ln Stk 2006 $ Rep Opt – £1[redacted] 91)
Inter-American Development [redacted] Ln Stk [redacted] – [redacted]
International Bank for Rec & Dev 9¾% Ln Stk 2010(Reg) – £94½
11.5% Ln Stk 2003 – £108½
Malaysia 10¾% Ln Stk 2009(Br) – £95 (8Oc91)
Montreal(City of) 3% Perm Deb Stk – £28 (8Oc91)

[illegible]

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Aust. Foundation Inv A$1.98 (7/10)
City Developments S$3.42 (8/10)
Dainippon Screen Mfg. Y1258.88 (8/10)
Elec & Eltek Co HK$0.4744 (7/10)
Killinghall Tin (Malaysia) Berhad Ord M$1.51 (8/10)
Kulim Malaysia Ord 30
Leighton Hldgs A$1.324 (9/10)
Oil Search 29 (9/10)
Portman Mining 43
Selangor Coconuts 20 (9/10)
Singapore Land S$5.05 (8/10)
Starer Communications SK277.76 (9/10)
United Overseas Land S$1.362 (8/10)

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هكذا منه الأصل

LONDON STOCK EXCHANGE

Inflation figure fails to excite shares

By Terry Byland, UK Stock Market Editor

THE latest data on domestic inflation failed to inspire [illegible] UK stock market yesterday and leading equities gave ground again in fairly modest trading. The second half of the session saw share prices sliding as traders turned their attention to television sets offering a choice between [illegible] international rugby match and the [illegible] by Mr John Major, the UK prime minister, to the annual conference of the UK Conservative party.

The account closed with the FT-SE Index down 15.8 points at 2,555.0, the lowest level of the day.

Earlier, the Footsie had climbed by 7.2 on the back of a strong performance from Wall Street overnight. However, the market turned off after the announcement that the annualised [illegible] rate of inflation in the UK had fallen to 4.1 per cent in September. Selling was relatively light, with the downward pressure coming from the stock index futures.

Account Dealing Dates		
*First Dealings:		
Sep 30	[illegible]	Oct 28
Option Declarations:		
Oct 10	Oct 24	[illegible] 7
Last Dealings:		
Oct 11	Oct 25	Nov 8
Account Day:		
Oct 21	Nov 4	Nov [illegible]

*New-time dealings may take place from 8.30 am two business days earlier.

The Footsie Index has fallen by 69.6 points or about 2.7 per cent over the week, and by 44 points over the two-week trading account which ended last night. Equities have been unsettled by weakness in [illegible] pound which rallied towards the close yesterday but had little impact on the equity market.

Seaq trading volume totals of 869.6m shares was boosted by a single deal among the second-line stocks, where turnover of 340m shares in Transfer Technology represented the placing of 169m shares by Maxwell family interests; turnover in the FT-SE listed [illegible] totalled only 227m [illegible], compared with [illegible] on Thursday.

The September [illegible] figure was no better than expected in the stock market [illegible] added little to [illegible] belief that further cuts in [illegible] have to wait upon [illegible] approach to the next UK [illegible]eral election.

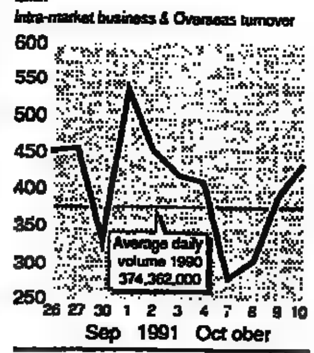
Nor was there much enthusiasm in the stock market for Mr Major's eagerly-awaited speech to the conference [illegible] the Conservative party. Government bonds, easier from the outset of trading, ended with losses of about half a point as traders continued [illegible] take a cautious view [illegible] the political outlook.

At Strauss Turnbull, Mr Ian Harnett said that the inflation data was "slightly disappointing", and that the stock market had underestimated inflationary pressures. Taken with the generally uninspired reception for the Conservative party conference, he believed this week has confirmed that the UK government "clearly has a battle on its hands". Other strategists agreed that uncertainty over the inflation outlook could cast doubts over forecasts of corporate profits by analysts at London securities firms.

■ After falling heavily [illegible] political nervousness at the beginning of the week, [illegible] business in equities has recovered as the pound steadied.

London SE volume

Turnover by volume (million)
Excl:
Intra-market business & Overseas turnover



Heavy setback in Gas

THE IMPACT of an Office of Fair Trading (OFT) statement on the need for greater competition in the gas industry continued [illegible] hit confidence in British Gas. The shares which posted their second biggest ever single day fall, closing 16½ lower at 258½p.

The biggest fall, when the shares dropped from 215p to 192p, was on October 19 1987 – Black Monday.

Marketmakers and analysts were taken aback yesterday by the extent of the slump in the shares, which [illegible] accompanied by another session [illegible] exceptionally heavy trading. Turnover [illegible] the highest level since July 18, 1990, when the UK Government placed its remaining holding in the company.

Sector specialists were badly bearish after the OFT proposals, which might lead to a Monopolies and Merger Commission reference if British Gas and Ofgas, the industry watchdog fail to agree terms for increased competition by the turn of the year.

Mr Ian Graham of Count NatWest said: "In April, Gas told us "regulation has gone away for five years; it's barely gone away for five months. Profit implications are difficult to calculate, but we will have a lot of uncertainty and bad sentiment. There is nothing for the bulls in this report. It is still not too late to sell British Gas." Mr Steve Turner at Smith New Court said: "It's possible the company will never be the same. People can't make long-term decisions over this company because of the uncertainty; uncertainty means risk and risk demands a much higher yield."

Glaxo sold

Overnight selling [illegible] from New York left Glaxo shares weak from the start of London's trading day. The cautious mood lingered all day as the company announced it had changed an agreement with Swiss drug group Sandoz over the marketing of an over-the-counter (OTC) version of Glaxo's – and the world's – best selling drug Zantac.

Under the new agreement, Glaxo has the right to develop the OTC version. Both companies will have the right to market it.

Analysts said that the move was probably part of Glaxo's contingency plans concerning Zantac's patents. There are two sets of US patents covering the drug. The first expires in 1995 and the second in 2002. There is some debate within the industry over whether the second set will be strong enough to withstand the legal assaults of the makers of generic pharmaceuticals. By taking closer control over the OTC version, Glaxo is preparing itself for the more fragmented market [illegible] is likely to transpire from post-patent competition, whenever that is.

Glaxo shares were 27 down at one point. They ended at 1367p for a net decline of 18.

Ultramar strong

Speculators continued [illegible] Ultramar [illegible] amid takeover speculation involving [illegible] British [illegible] BP, Lasmo and Elf, [illegible] French [illegible]. [illegible] best Ultramar touched 272p but later slipped to close a net 12 higher at 270p. Turnover of 3.7m, although below Thursday's bid-rumour inspired 5.5m, [illegible] above average for the stock. There was also [illegible] interest in Ultramar options.

Dealers said the shares had probably run ahead of themselves as analysts searched for signs of possible bullish news expected to emerge of the trip to Ultramar's Californian operations.

"There has been low-quality buying for the stock on the back of what are generally thought to be spurious takeover bid stories," said one analyst. He said British Gas's problems with the [illegible] industry regulator effectively [illegible] it out [illegible] a potential bidder. BP's financial constraints led [illegible] similar conclusion. Elf was [illegible] up with the Enterprise Oil joint venture and Lasmo would be constrained by the need to raise money for such a move.

The damage inflicted on the British Gas share price caused a flurry of selling in other utilities where investors now fear similar interference by regulatory bodies. Dealers spoke of growing concern about the public response to the BT II flotation next month in view of the big slide in Gas shares; "let's hope it doesn't damage confidence too much, the market is banking on a good performance from BT," said one trader.

BT shares looked shaky for much of the session and eventually settled a 4 off at 404½p. Other utilities were similarly unsettled and by the recent shift towards Labour in the opinion polls.

The prospect of increased competition and possibly lower [illegible] prices helped [illegible] power generators make progress in heavy turnover. National Power added 2¼ at 162¼ on 11m shares, while PowerGen hardened to 174½p on 8.5m.

Reuters bucked the market trend with the shares showing a gain of 14 at one point. The stock had been at the low end of its recent trading range and yesterday's improvement was the first rise this month. Sentiment was also helped by Mr Brian Newman of Henderson Crosthwaite, who said that the company was on the point of announcing a go ahead for its long-delayed currency and futures trading systems. The shares ended at 938p, a gain of 6 on the day.

Traders said a line of 1¼m Rank Organisation shares was overhanging the market, offered at around 650p. The quoted price slid 16 to 639p, its lowest for three months. Turnover was 2.4m shares, making it the busiest day's trading in the stock for six weeks.

The probable delays to the Eurotunnel rail link continued to hit contractors involved in the construction. Of these Costain were again heavily sold and retreated 11 more to 73p, the lowest level for at least five [illegible].

TSB's [illegible] performance against the sector and the market continued with the shares a further 3½ off at 134½p on [illegible].

[illegible] the com[illegible] television franchise auction due to be announced within days, the media sector saw a flurry of sharp share price moves.

Buy [illegible] on Boots from BZW and Carr Kitcat [illegible] Aitken pushed the shares 4 [illegible] to 418. BZW highlighted the company's combination of defensive merits and growth prospects.

Distiller Invergordon eased 2 to 276p as bidder Whyte and Mackay continued buying in the market. Whyte and Mackay yesterday took its stake to 12.1 per cent.

Turnover in castings manufacturer Transfer Technology reached 340m after Crédit Lyonnais placed 169m shares with institutions at 4½p each. The holding had belonged to the Maxwell family and represented 28.9 per cent of the company's equity. The share price edged ½ forward to 5½.

Bid target Hawker Siddeley gained 8 to 747p on healthy turnover of 1.1m as the view strengthened that its predator, BTR, unchanged at 407p, would have to improve its £1.5bn offer.

Thursday's bargain hunters in British Aerospace were few and far between amid continuing fears that the rights issue would flop. The nil-paid shares had a particularly busy day with turnover reaching 8.2m as the price retreated 1½ to 4½p. The ordinary shares gave up 7 to 371p as sentiment was affected by the view that BAe might be forced by the *European Court of Justice to repay* £44.4m it received in 1988 as part of its purchase of the Rover car maker.

Lucas Industries gained 7 to 135p ahead of Monday's full-year figures.

A profit downgrading, despite improved airport traffic figures, left BAA 8 lower [illegible] 448p.

British Airways gained from [illegible] improved traffic [illegible] and [illegible] recent clutch [illegible] upgradings. The shares hardened [illegible] 193p.

MARKET REPORTERS:
Daniel Green,
Joel Kibazo, Jim McCallum,
Steve Thompson.

■ Other market statistics, including [illegible] FT-Actuaries [illegible] Indices and London Traded [illegible] 10.

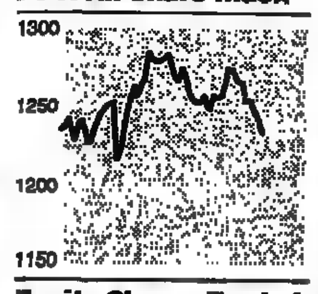
NEW HIGHS AND LOWS FOR 1991

NEW HIGHS (66).
BRITISH FUNDS (8) Tr. 2pc IL 1992, Tr. 2pc IL 1996, Tr. 2½pc IL 2001, Tr. 2½pc IL 2003, Tr. 2pc IL 2006, Tr. 2½pc IL 2009, Tr. 2½pc IL 2011, Tr. 2½pc IL 2013, **AMERICANS** (2) Morgan (JP), Unitab, **BREWERS** (1) Grand Met., **BUILDINGS** (2) Polypipe, Rainé, **CHEMICALS** (3) Canning (W), Plysu, Porvair, **STORES** (6) Ashley (L), Etam, Hartstone, Sherwood, Stirling, World of Leather, **ELECTRICALS** (2) Druck, Macro 4, **ENGINEERING** (2) Morris Ashby, Vistaulic, **FOODS** (2) Dalepak, Morrison (Wm) 5¼pc Prf., **INDUSTRIALS** (8) EIS, Harding, Hays, Lincat, Marling, Medeva, Shiloh, Silentnight, Spandex, **INSURANCE** (1) Domestic & General, **LEISURE** (1) LWT 3.9375p Prf., **MOTORS** (1) Cook (DC), **NEWSPAPERS** (1) Quarto, **PAPERS** (1) Aspen Communications, **PROPERTY** (2) Property Security, Regian Property, **TEXTILES** (4) Allied Textile, Atkins, Leeds, Sirdar, **TRANSPORT** (1) Dawsongroup, **TRUSTS** (6) Biotech Ptg. Prf., Genesis Chile Fund Ptg., Kleinwort High Inc., Scottish Cities, St. Andrews, Value & Income, **WATER** (1) East Surrey, **OILS** (2) Global Natural Res., Total B, **MINES** (1) Antofagasta.
NEW LOWS (34).
CANADIANS (1) Gulf Canada, **BREWERS** (1) Burtonwood, **BUILDINGS** (3) Costain, Tarmac, Wimpey (G), **STORES** (1) Brown & Jackson, **ENGINEERING** (1) Robinson (T), **FOODS** (3) Albert Fisher, Low (Wm), RHM, **INDUSTRIALS** (6) Bioplan, Claythithe, Green (J), Isotron, Trafalgar House A, Williams Cnv. Prf., **INSURANCE** (2) GRE, Royal, **LEISURE** (1) Kunick, **PAPERS** (1) Saint Cowells, **PROPERTY** (3) Barlows, Bredero, Hammerson A, **TRANSPORT** (1) Seafield, **TRUSTS** (4) English & Caledonian, Govett Amer. Endeavour, JF Pacific Wrrnts., Sphere Wrrnts., **OILS** (3) Conroy Pet. Natl. Res., Presidio A, Sceptre Res., **PLANTATIONS** (1) Kuala Lumpur Kepong, **MINES** (2) Ennex, Renison.

RISES AND FALLS YESTERDAY

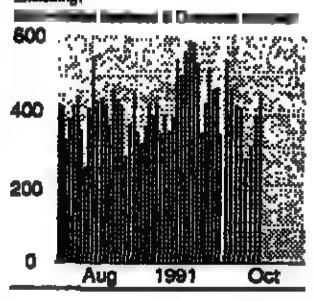
	On Friday Rises	On Friday Falls	On Friday Same	On the week Rises	On the week Falls	On the week Same
British Funds	65	0	18	[illegible]	212	73
Corps, Dom. & Foreign Bonds	8	1	11	[illegible]	27	53
Industrials	246	324	924	[illegible]	1,760	4,720
Financial and Props	81	182	497	[illegible]	876	2,528
Oils	23	22	45	[illegible]	106	245
Plantations	1	1	8	4	4	42
Mines	39	31	83	230	[illegible]	366
Others	68	37	34	252	[illegible]	190
Totals	531	[illegible]	[illegible]	2,121	[illegible]392	8,217

FT-A All-Share Index



Equity Shares Traded

Turnover by [illegible] (million)
Excluding:
[illegible]



FINANCIAL TIMES [illegible] INDICES

	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Year Ago	1991 High	1991 Low	Since [illegible] High	Since [illegible] Low
Government Secs	86.70	86.58	86.76	87.12	87.32	79.73	87.94 (18/9)	82.17 (2/1)	127.4 [illegible]	[illegible] (3/1/75)
Fixed [illegible]	[illegible]	96.55	96.63	[illegible]	97.01	88.93	97.17 [illegible]	80.58 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share●	[illegible]	1956.4	[illegible]	1991.6	[illegible]	1627.2	2108.3 (2/9)	1608.3 (16/1)	2108.3 (2/9/91)	49.4 [illegible]
[illegible]	166.6	[illegible]	167.3	[illegible]	166.5	[illegible]	222.8 (11/7)	127.0 [illegible]	[illegible]	[illegible] (26/10/71)
FT-SE 100 [illegible]	2555.0	[illegible]	[illegible]	2599.6	[illegible]	2101.9	[illegible]	[illegible] (16/1)	2679.6 (2/9/91)	986.9 [illegible]
FT-SE Eurotrack 200	[illegible]	[illegible]	[illegible]	1160.51	[illegible]	-	[illegible] (3/9)	938.62 (16/1)	1198.60 [illegible]	938.62 (16/1/91)
●Ord. Div. Yield	[illegible]	[illegible]	4.70	4.68	4.70	5.89				
●Earning Yld %(full)	[illegible]	7.55	7.49	[illegible]	[illegible]	12.30				
●P/E Ratio(Net)(☆)	16.49	[illegible]	[illegible]	[illegible]	16.68	9.85				
SEAQ Bargns 4.45pm	[illegible]	30,011	[illegible]	[illegible]	[illegible]	19,614				
Equity Turnover(£m)†	-	1001.31	[illegible]	[illegible]	[illegible]	578.31				
Equity Bargains†	-	[illegible]	27,609	[illegible]	29,141	[illegible]				
Shares [illegible] (ml)†	-	435.5	391.0	304.0	278.7	284.8				

[illegible] 100 Govt. [illegible] 15/10/26, [illegible] Int. 1928, Ordinary [illegible] Gold mines 12/9/55. [illegible] 1000 FT-SE 100 31/12/83 [illegible] FT-SE Eurotrack 200 26/10/90. ☆ [illegible] 15.84

Ordinary Share Index, Hourly changes Day's High [illegible] Day's Low 1951.5

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1956.4	1959.9	1965.1	1963.8	1960.4	1952.5	1953.8	1955.0	1953.1

FT-SE 100, Hourly [illegible] [illegible] High [illegible] Day's Low 2555.0

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2569.4	2573.4	2576.4	2575.3	2570.8	2559.2	2562.3	2563.3	2556.2

FT-SE Eurotrack 200, Hourly changes Day's High [illegible] Day's Low 1148.41

Open	11 am	12 pm	1 pm	2 pm	[illegible] pm	4 pm
1155.12	1154.70	1153.31	1151.38	1151.04	1152.39	1150.68

GILT EDGED ACTIVITY

Indices*	Oct 10	[illegible]
Gilt Edged Bargains	92.2	109.2
5 – Day average	90.3	[illegible]

[illegible] Activity 1974.
†Excluding intra-market [illegible] & Overseas turnover.

London report [illegible] latest [illegible] index:
Tel. 0898 123001

TRADING VOLUME [illegible] STOCKS

	Volume 000's	Closing Price	Day's change
ADT	[illegible]	327	-2
ASDA Group	6,300	40	
Abbey National	2,700	369	-5
Albert Fisher	[illegible]	87	-6
Allied-Lyons	[illegible]	605	-8
Amstrad	3,200	36	-1
Anglian Water	1,200	375	-8
Argos	1,200	[illegible]	-1
Argyll Group	[illegible]	275	-6
Arjo Wiggins	934	261	-3
[illegible] Brit. Foods	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	448	-6
[illegible] Inds	[illegible]	[illegible]	-1
[illegible]	931	225	-2
[illegible]	[illegible]	[illegible]	-1
BOC	1,400	[illegible]	+3
BPB Inds.	753	175	+2
BTR	3,590	407	
Bank of Scotland	663	118	-1
Barclays	1,200	441	-4
[illegible]	[illegible]	[illegible]	-6
[illegible]	981	118½	-1
[illegible] Int.	1,500	29	+1
Blue Circle	994	240	+2
Booker	69	474	-3
Boots	[illegible]	416	+4
Bowater	544	[illegible]	
Brit. [illegible]	1,600	371	-7
British Airways	[illegible]	[illegible]	+2½
[illegible] Gas	[illegible]	258½	-16½
British Land	325	296	-2
BP	4,800	341	+2
[illegible] Steel	6,200	118½	-½
[illegible] Telecom	4,400	404½	-4
Bunzl	763	98	
Burmah Castrol	[illegible]	[illegible]	[illegible]
Burton	[illegible]	46	+1
[illegible]	3,500	[illegible]	[illegible]
Cadburys	[illegible]	401	-6
[illegible] Group	[illegible]	539	
[illegible] Comms.	[illegible]	519	+9
Coats Viyella	[illegible]	174	
Comm. Union	74	485	-2

	Volume 000's	Closing Price	Day's change
Cookson	1,200	121	+1
Courtaulds	718	483	+1
Dalgety	985	397	-2
De La Rue	6	445	+1
Dixons	1,200	249	
ECC Group	277	471	-6
Eastern [illegible]	1,000	179	
East [illegible] Elec.	[illegible]	207	
Enterprise Oil	332	[illegible]	-7
Eurotunnel Units	633	[illegible]	[illegible]
FKI	[illegible]	99	
Ferranti	519	7	
Fisons	1,400	487	-9
[illegible]	1,300	[illegible]	
[illegible] Accident	1,500	[illegible]	[illegible]
General Elec.	[illegible]	[illegible]	[illegible]
Glaxo	[illegible]	1367	[illegible]
Glynwed Int.	208	231	
Granada	1,600	165	+2
Grand Met.	2,000	849	-7
[illegible]	159	1368	-5
[illegible]	[illegible]	165	-4
GKN	232	346	+1
Guinness	641	[illegible]	-3
[illegible] 'A'	91	578	[illegible]
Hanson	4,600	216	-1½
Hanson Warrants	[illegible]	[illegible]	-1
Harrisons Crosfield	713	[illegible]	-2
Hawker Sidd.	1,100	[illegible]	[illegible]
Hillsdown	1,400	[illegible]	-4
IMI	[illegible]	284	
ICI	[illegible]	1310	+6
Inchcape	[illegible]	392	-1
Kingfisher	[illegible]	549	-1
Ladbroke	2,700	255	[illegible]
Land Securities	1,100	503	[illegible]
Laporte	209	597	-8
[illegible] & General	917	[illegible]	[illegible]
[illegible] Abbey	489	[illegible]	[illegible]
[illegible] Bank	[illegible]	394	-1
LASMO	632	391	-6
London Elec.	623	204	
[illegible]	940	233½	-½

	Volume 000's	Closing Price	Day's change
Lucas	[illegible]	[illegible]	+7
MB Caradon	1,300	[illegible]	+1
MEPC	395	463	+1
[illegible]	150	[illegible]	
[illegible]	3,000	[illegible]	+1
Maxwell [illegible]	409	[illegible]	-1
Midland Bank	2,300	254	-2
Midlands Elec.	1,100	206	
NFC	943	216	-2
NatWest Bank	2,800	[illegible]	-2
National Power	11,000	162	[illegible]
Next	1,300	48½	+½
North West Water	384	360	-6
Northern Elec.	645	355	
Northern Foods	1,000	[illegible]	-7
Norweb	651	[illegible]	
Pearson	288	750	+2
P & O	1,400	497	-5
Pilkington	1,600	148	
PowerGen	8,500	[illegible]	-½
[illegible]	4,400	[illegible]	-5
RHM	[illegible]	[illegible]	-4
RMC	228	[illegible]	-7
RTZ	[illegible]	692	-1
Racal	[illegible]	86	-1
Rank Org.	2,400	639	-18
[illegible] & Colman	392	673	+3
Redland	691	525	-5
Reed Intl.	1,100	476	+3
Rentokil	[illegible]	349	-2
Reuters	670	[illegible]	[illegible]
Rolls Royce	4,000	[illegible]	
Rothmans	327	1116	+7
Ryl Bk Scotland	612	176	-1
Royal Insurance	1,400	322	-6
Saatchi	817	14½	
Sainsbury	1,700	348	-7
Scottish & New.	342	414	
Scot. Hydro-Elec.	[illegible]	[illegible]	-1½
Scottish Power	[illegible]	[illegible]	
Sears	[illegible]	93	+1
Sedgwick	[illegible]	243	-5
Seaboard	381	[illegible]	

	Volume 000's	Closing Price	Day's change
Severn Trent Water	486	335	-7
Shell Transport	3,600	512	+1
Siebe	[illegible]	[illegible]	[illegible]
Slough Ests	114	251	-2
[illegible] (W.H.) A	137	[illegible]	
Smith & Nephew	2,300	124½	-2
SmKl Beecham	1,400	739	
SmKl [illegible] Uts.	293	3265	[illegible]
Smiths Inds.	444	[illegible]	+1
Southern Elect.	1,200	209	
South [illegible] Elect.	41	278	
South [illegible] Water	35	346	-2
South [illegible] Elect.	274	[illegible]	
[illegible]	243	327	-3
[illegible]	879	371	+2
Storehouse	983	105	-1
Sun Alliance	1,100	349	-5
T&N	[illegible]	161	+3
TI Group	603	615	+10
TSB	4,100	134½	-3½
Tarmac	1,800	170	-6
Tate & Lyle	692	[illegible]	+1
Taylor Woodrow	2,000	154	+4
Tesco	3,700	247	-4
Thames Water	1,100	[illegible]	-1
Thorn EMI	398	[illegible]	
Tomkins	[illegible]	[illegible]	
Trafalgar House	[illegible]	[illegible]	[illegible]
Ultramar	3,700	270	+12
Unigate	634	365	-1
Unilever	1,400	[illegible]	-4
United Biscuits	854	395	-4
Utd. Newspapers	510	505	
Vodafone	2,600	380	+6
Wellcome	735	713	-8
[illegible] Water	995	[illegible]	[illegible]
Wessex Water	431	[illegible]	
Whitbread 'A'	1,200	463	-4
Williams Hldgs.	1,100	[illegible]	
Willis Corroon	1,000	[illegible]	-2
Wimpey	190	[illegible]	-3
Yorkshire Elec.	881	227	-8
Yorkshire Water	[illegible]	368	-3

[illegible] on the [illegible] volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING Derivatives markets traded briskly yesterday although general [illegible] were no different from those in the underlying equities sector. The December future contract on the FT-SE Index started the session strongly, moving to about ten points above fair value, the calculation which allows for financing and dividend flows on the underlying stocks.

However, it soon proved that only Wall Street's recovery was supporting the Footsie future and sellers appeared after the City showed some disappointment with the news that UK headline inflation had dipped only to 4.1 per cent in September.

By the end of the session, the fair value premium had been lost, as the end of account factor in the stock market encouraged some selling of the contract. Traded options, too, had a busy day, although interest was selective and the overall total of 30,673 was a shade down on Thursday's 33,299 contracts.

The most active option contract was British Gas, with 4,222 traded as nervous was fuelled by the Office of Fair Trading recommendations on gas supply competition. British Steel (3,182 contracts) also saw brisk activity and TSB (1,855) continued to command attention. County Natwest closed out some Gas contracts as part [illegible] its reduction [illegible] participation in the traded options sector.

BENCHMARK GOVERNMENT BONDS

		Coupon	[illegible]	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		[illegible]	11/01	112.1300	+0.383	[illegible]	10.18	10.68
BELGIUM		[illegible]	[illegible]	99.5000	+0.160	[illegible]	9.09	9.22
CANADA *		[illegible]	12/01	104.5000	+0.775	9.08	[illegible]	[illegible]
DENMARK		9.000	11/00	100.3800	+0.105	8.93	[illegible]	9.14
FRANCE	STAN	8.500	[illegible]	98.2100	[illegible]	[illegible]	9.04	9.06
	OAT	8.500	01/01	104.3500	+0.190	8.78	[illegible]	[illegible]
GERMANY		8.750	08/01	103.2900	+0.170	8.24	[illegible]	8.43
ITALY		12.500	03/01	100.2100	+0.110	12.84	12.93	13.13
[illegible]	No 119	4.800	06/99	92.2771	[illegible]	6.29	6.21	6.32
	No 129	6.400	03/00	102.4300	[illegible]	[illegible]	5.87	[illegible]
NETHERLANDS		8.500	03/01	98.7300	[illegible]	[illegible]	8.69	[illegible]
SPAIN		11.900	07/98	100.8200	[illegible]	11.81	11.84	11.56
UK GILTS		[illegible]	11/96	[illegible]	[illegible]	9.75	9.84	9.87
		[illegible]	02/01	[illegible]	[illegible]	9.73	[illegible]	9.89
		9.000	10/08	95-29	[illegible]	9.49	9.42	9.51
US TREASURY *		[illegible]	08/01	[illegible]	[illegible]	7.47	7.42	7.74
		[illegible]	[illegible]	[illegible]	[illegible]	7.89	7.81	8.02

London closing, *denotes New York morning session. Prices: US, UK in 32nds., others in decimal. Yields: Local market standard. Technical Data/ATLAS Price Sources

FT-A INDICES LEADERS AND LAGGARDS

[illegible] changes since December 31 1990 based on Thursday October 10 1991

Textiles	+	51.09
Packaging, Paper & Printing	+	45.29
Health & Household	+	43.61
Chemicals	+	41.14
Business Services	+	41.05
Telephone Networks	+	40.76
Electricals	+	36.13
Engineering-General	+	33.45
Merchant Banks	+	33.15
Other Groups	+	28.86
Other Industrial Materials	+	28.74
Stores	+	25.28
Consumer Group	+	25.27
Electricity	+	24.92
Banks	+	24.56
Industrial Group	+	24.15
Investment Trusts	+	23.59
Media	+	23.25
Transport	+	22.84
Brewers & Distillers	+	22.26
500 Share Index	+	21.41
All-[illegible] Index	+	20.23
Co[illegible]erates	+	17.73
Food Manufacturing	+	17.61
Insurance (Life)	+	15.78
Electronics	+	[illegible]
Capital Goods	+	[illegible]
Motors	+	12.97
Financial Group	+	[illegible]
Water	+	[illegible]
Insurance Brokers	+	[illegible]
Hotels & Leisure	+	[illegible]
Food Retailing	+	[illegible]
Gold Mines Index	+	8.09
Metals & Metal Forming	+	7.84
Oil & Gas	+	[illegible]
Building Materials	+	1.34
Insurance (Composite)	+	[illegible]
Contracting, Construction	-	[illegible]
Property	-	6.57
Engineering-Aerospace	-	10.17

COMMODITIES

WEEK IN THE MARKETS

Soviet uncertainty keeps lid [illegible] gold

RESISTANCE at $360 a troy ounce has kept the lid firmly on *the gold market this week.*

Trading has been thin while players have been watching anxiously for further news of the level of gold reserves in the [illegible] Union. Early in the week Mr Ivan Silayev, acting Prime Minister, [illegible] reserves would be revealed "in the next few days."

By mid-week Grigory Yavlinsky, the [illegible] surprised the world gold markets last week with his low estimate of the reserves, reiterated his view that they will be 240 tonnes by the start of next year. "Yavlinsky is sticking to his guns, but we don't know if they are pointing in the right direction," said one analyst.

The World Gold Council said on Monday that estimates of less than 1,000 tonnes for total Soviet gold holdings were credible. By adding the 240 tonnes ascribed to the finance ministry, Gosbank's (the state bank) 374.50 tonnes and outstanding swaps of 110 tonnes, total holdings emerge at around 720 tonnes.

Yesterday there was still [illegible] news forthcoming, although some market operators were expecting something to emerge over the weekend, possibly from the Soviet delegation in Bangkok for the International Monetary Fund meeting.

Mr Andy Smith, precious metals analyst with the UBS, said yesterday that no-one was willing to take a position in the market until more credible figures were available. Until then, low volume would continue as traders held back.

It has been metals week in London, the annual beano when the so-called mating season begins as metals producers, traders and merchants gather to negotiate new contracts and pay their respects to the London Metal Exchange. Base metals prices have fallen by between 4.5 per cent and 35.5 per cent since they met last year.

LME WAREHOUSE STOCKS (As at Thursday's close)) tonnes		
Aluminium	+2,125	to 728,325
Copper	-1,875	to 300,925
Lead	+3,675	to 104,600
Nickel	+6	to 8,604
Zinc	-200	to 149,850
Tin	-270	to 13,415

Metals week usually sees a slowing down in LME activity; certainly prices have not been notable for their volatility.

Copper prices have risen in sterling terms but have been unable to break definitively through resistance at $2,300 a tonne for three-month metal. The absence of significant news from troubled Zaire, a major copper producer, [illegible] the [illegible] Highland Valley mine in Can[illegible] helped [illegible] keep the brakes on.

Yesterday prices eased after commission house selling had [illegible] prompted by a smaller than expected fall [illegible] 1,875 tonnes in LME stocks. [illegible] copper [illegible] at [illegible] a tonne, a fall of £16 on the day but £11 ahead on the week.

LME [illegible] stocks [illegible] aluminium continued their relentless rise, climbing by 12,675 tonnes on Tuesday and by 2,125 tonnes yesterday to a record 728,325 tonnes.

However, Mr Nick Moore, metals analyst with Ord Minnett, said yesterday there were signs that the rate of increase in stocks was decelerating. He pointed out that yesterday's rise was the smallest for more than two months on the LME.

In addition, the International Primary Aluminium Institute said on Thursday that [illegible] aluminium stocks [illegible] down by 14,000 tonnes [illegible] 3.37m tonnes, when they had been expected to rise by up to 50,000 tonnes.

The news was sufficient to lift LME prices slightly following Wednesday's fall below $1,100 a tonne for cash metal – which equates to less than 50 cents a lb. This is the lowest price ever in real terms, *according to Mr Moore, who* added that relative to copper aluminium has not been cheaper for 16 years.

Soviet sales of aluminium have probably peaked, believes Mr Moore. He also believes the third-quarter results of the north American aluminium producers will concentrate minds on future profitability. "If we then see some producer cuts, it should produce a better price environment."

Cash aluminium closed yesterday at $1,114.50 a tonne, a fall of $3 on the week.

Nickel prices moved ahead early in the week on news that Eramet, the French producer, is to close one of the three furnaces at its Doniambo, New Caledonia, smelter for six months next year with significant production losses.

Further bullish news came on Wednesday when Western Mining's Kambalda nickel mine in Western Australia went on indefinite strike over contract payments.

However, the three-month nickel price has met stiff resistance at $7,600 a tonne. It finished yesterday at $7,547.50 a tonne, a rise of $42.50 on the week.

David Blackwell

APPOINTMENTS

NatWest forms company

■ Mr Jim Chester and Mr Lawrence Churchill have been appointed project directors to help establish NATIONAL WESTMINSTER LIFE ASSURANCE, the joint venture company which [illegible] bank is forming with Clerical, Medical and General Life Assurance Society.

Mr Chester, a deputy general manager of the bank, was previously its Tokyo-based director for Japan and the Far East and deputy group treasurer at the London head office.

Until September Mr Churchill was a main board director of Allied Dunbar Assurance where his specific responsibilities were information technology and administration.

■ POLYPIPE has appointed Mr Robert Gee as managing director of Derwent MacDee. He was works and distribution director of Shires Bathrooms.

■ RATHBONE BROTHERS plans to expand further its investment management department. As part of that expansion, Mr Graham Thelwall Jones, until recently private client investment director [illegible] Charterhouse Tilney, is to join Rathbones in Liverpool in January next year.

■ SAGE GROUP, the Newcastle-based supplier of accountancy software and networking products for personal computers, is to appoint Ms Sarah Stewart to the board as marketing director with effect from mid-November.

Ms Stewart is joining Sage from Price Waterhouse where, since 1987, she has been responsible for creating and developing its regional marketing consultancy team in the north of England and Scotland.

■ Mr Stephen Williams and Mr Bruce Williams have joined BABCOCK FULTON PREBON in London as directors of its capital markets division. They were formerly co-founders of [illegible] Capital Markets, London.

■ Mr Alan Gavaghan *(pictured)* has been appointed deputy chief executive of insurance brokers WILLIS WRIGHTSON. He was previously deputy managing director of Willis Wrightson with responsibility for operations in the south and west of England, Ireland, Portugal and Greece.

■ CRAGNOTTI & PARTNERS CAPITAL INVESTMENT, the recently launched financial and investment company domiciled in the Netherlands but with offices in Milan, London, Paris, Lugano and Sao Paulo, has appointed the following at its London subsidiary:

Mr Charles Balfour, to head a corporate finance business development team. He became an executive director and a divisional head of Banque Paribas in 1986.

Mr Oliver Stanley, as head of capital markets. He was with County NatWest's equity syndicate operation.

Mr Peter Spencer, as chief financial and compliance officer. He was vice-president and company secretary responsible for finance and compliance at Paine Webber International (UK).

■ Mr Steve Havercan has been named operations director [illegible] VINYLEX, part of Heywood Williams.

■ BARRIER OFFSHORE SERVICES, a new joint venture company established between specialist engineering company Furmanite and coating applicator Barrier, has appointed Mr Norman Jerrard as managing director. He was coatings manager [illegible] ASCoSMIT.

■ PCL MAINFRAME SERVICES, the facilities management supplier which is part of PCL Group, has appointed Mr Tony Tatton-Brown as sales and marketing director.

■ INDEPENDENT INVESTMENT MANAGEMENT, established in 1989 with the backing of 3i Group, has made Mr Terry Nicholls a director. He was a director of Hambros Bank and has been chief investment manager of The Public Trustee Office.

■ Mr Scott Hand and Mr Tony Sabatino have been appointed directors of EXPLAURA HOLDINGS. Mr Hand is executive vice-president general counsel and secretary of Inco. Mr Sabatino is treasurer of Inco.

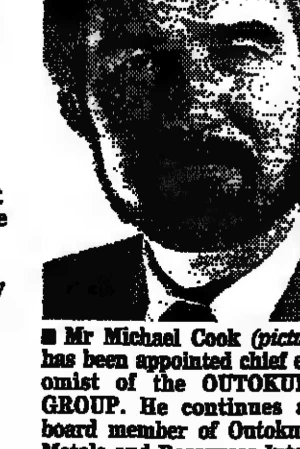
Mr Norman Hayman has resigned from the board of Explaura, following his retirement from Inco, which holds in excess of 9 per cent of Explaura's equity.

■ Mr Richard Hatter and Mr David Laurie have become directors of FLETCHER KING SERVICES.

■ [illegible] HEWDEN STUART, a new post of group managing director has been created, with Mr Sandy Findlay assuming that role. He has been a board member for some years and managing director of the group's hire divisions across the country.

Mr Don Barton, currently managing director of the sales and marketing division, and Mr Ray Hughes, managing director of the Seymour Plant Hire unit, have been appointed directors of Hewden Stuart.

Mr Tom Maconochie, who joined the board in 1972, has reached retirement age and relinquished his executive duties, but he will continue as a non-executive director.



■ Mr Michael Cook *(pictured)* has been appointed chief economist of the OUTOKUMPU GROUP. He continues as a board member of Outokumpu Metals and Resources International and will be based in the UK in Wimbledon.

FT MANAGED FUNDS SERVICE

■ Current Unit Trust prices are available on FT [illegible]ityline. [illegible] charged at 48p per minute peak and 36p off peak, inc VAT. To obtain your free Unit Trust [illegible] ring (071) [illegible]

AUTHORISED UNIT TRUSTS

For Geoffrey Morley see Commercial Union

Guide to pricing of Authorised Unit Trusts

Compiled with [illegible] of Lautro [illegible]

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1[illegible] midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

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INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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N & P Life Assurance Ltd
6-7 Bedford Row, London, WC1R 4UJ 071-430 2348

	Bid Price	Offer Price	+ or -	Yield Gross
Life Managed Fd.	108.2	113.9	—	-
Pension Managed Fd.	106.5	112.1	...	-
Life Deposit Fd.	109.9	115.7	...	-
Pension Deposit Fd	116.2	122.3	...	-

For National Fst see Target Life

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

Harvester Pension Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	168.6	177.5	...	-
UK Equity	180.4	189.9	...	-
Overseas Equity	132.3	139.3	...	-
Fixed Interest	154.9	163.1	...	-
Property	134.9	142.0	...	-
Index Linked	151.5	159.5	...	-
Deposit	162.3	170.9	...	-
With Profits (B)	132.8	139.8	...	-

National Provident Institution
48 Gracechurch St, London EC3P 3HH 071-623 4200

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	357.2	376.0	+0.2	-
UK Equity	452.1	475.9	-0.9	-
Overseas Eq.	344.5	362.7	+2.2	-
Americas	285.4	300.5	+2.7	-
Far East	380.1	400.2	-1.1	-
Property	194.0	204.3	-0.2	-
Fixed Int.	269.3	283.5	+0.5	-
Indexed Gilt	161.2	169.7	+0.9	-
Deposit	186.2	196.1	...	-
With Profit	103.7	109.2	...	-
Pension Fund (Accum Units)				
Managed	514.3	541.4	+0.3	-
UK Equity	611.0	643.2	-1.1	-
Overseas Eq	581.9	612.6	+2.8	-
Americas	360.9	379.9	+4.0	-

Providence Capital Life Assc. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity Acc.	228.4	241.0	+0.6	-
UK Fixed Int Acc	185.9	196.1	-0.1	-
Intl Equities Acc	173.5	183.1	+0.1	-
UK Managed Acc	175.6	185.2	+0.3	-
Property Acc	226.5	239.0	...	-
Money Acc	132.0	139.3	...	-
Special Market Acc.	149.7	158.0	+0.3	-
Japan Equity Acc	105.8	111.7	-0.6	-
North American Acc	102.2	107.9	+0.8	-
Pacific Acc	94.3	99.5	-0.4	-
Technology Acc	121.8	128.5	-0.5	-
Nat Resources Acc	54.4	57.4	-0.2	-
European Acc	99.9	105.4	+0.1	-
Residential Prop Acc	94.6	99.8	...	-
Swiss Equities Acc	33.1	35.0	-0.3	-
Hong Kong Acc	68.4	72.2	-0.4	-
UK High Inc Eq Acc	74.5	78.6	...	-
Int Fixed Interest Acc	60.1	63.4	-0.1	-
Int Managed Acc	56.4	59.4	+0.1	-
HIP Managed Acc	117.0	123.4	...	-
HIP Managed II Acc	102.8	108.4	...	-
HIP Managed III Acc	109.9	115.9	+0.1	-
Total Investment Bond				
UK Equity Initial		155.0	+0.3	-
UK Fixed Int Initial		126.4	...	-
Intl Equities Initial		117.1	+0.1	-
UK Managed Initial		119.4	+0.2	-
Property Initial		155.1	...	-
Money Initial		90.2	...	-
Special Market Initial		116.1	+0.2	-
Japan Equity Initial		82.0	-0.5	-
North American Initial		79.3	+0.6	-
Pacific Initial		73.0	-0.3	-
Technology Initial		94.4	-0.4	-
Nat Resources Initial		42.1	-0.2	-
European Initial		89.3	...	-
Residential Prop Init		90.2	...	-
Swiss Equities Initial		31.6	-0.3	-
Hong Kong Initial		65.3	-0.3	-
UK High Inc Eq Init		71.0	-0.1	-

Norwich Union Asset Management Ltd

Norwich Union Life Insurance Soc.

Pearl Assurance (Unit Funds) Ltd

Pegasus Assurance Ltd

Premium Life Assurance Co Ltd

Professional Life Assurance Co Ltd

Prolific Life & Pensions Ltd

Property Life Assurance Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Prudential Assurance Co

Prudential Holborn Life Ltd

Prudential Holborn Pensions Ltd

Prudential Pensions Limited

Reliance Mutual

Royal Heritage Life Assurance Ltd

Royal Heritage Life Assurance Ltd—Contd.

Royal Life Insurance Ltd

Royal Liver Assurance

Save & Prosper Group

Scottish Amicable

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance Society

Scottish Mutual Investments

Scottish Provident Institution

Scottish Widows' Group

Shield Assurance Ltd

Skandia Life Assurance Co Ltd

Skandia Life Assurance Co Ltd—Contd.

Standard Life Assurance Company

Sun Alliance Group

Sun Life Unit Assurance Ltd

Swiss Life (UK) PLC

Swiss Pioneer Life Plc

TSB Life Ltd

Target Life Assurance Co Ltd

Target Life Assurance Co Ltd—Contd.

Teachers' Assurance Company Ltd

Templeton Life Assurance Limited

Tunbridge Wells Equitable

Wesleyan Assurance Society

Windsor Life Assur Co Ltd

Woolwich Life Assurance Co Ltd

Zurich Life Assurance Co Ltd

OFFSHORE INSURANCES

Aetna Intl Assurance (Bermuda) Ltd

Albany International Assurance Ltd

CMI Insurance Co Ltd

Eagle Star Intl Financial Services

Equitable Life (International)

Equity & Law Intl Life Assce Co Ltd

Eurolife Assurance Group

Finexco International Ltd

Hansard International Ltd

Isle of Man Assurance Ltd

NEL Britannia International Ltd

PanEuroLife societe anonyme

Premium Life International Ltd

Providence Capitol International Ltd

Royal Life Intl. Ltd

Royal Skandia Life Assurance Ltd

Sun Alliance International Life

Target International Group

MANAGEMENT SERVICES

David M. Aaron (Personal Fin. Plans.) Ltd

Atticus Investment Services Ltd

C F S Financial Mngmt

Capital Trust Financial Management

Chase de Vere PLC

ECU Futures Plc

Edinburgh Money Management Ltd

Fairmount Financial Services Ltd

Gartmore Fund Managers Ltd

Herstminster Financial Services(Pty) Ltd

IPS Capital Management PLC

Independent Financial Group PLC

Johnson Fry Asset Managers Plc

Knight Williams & Company Ltd

Macartney & Dowie Invest Mngt Plc

Northam Bings & Partners

PBR Fund Management Ltd

Pendleton May Financial Services Ltd

Roxborough Financial Management Ltd

Sharp (Albert E.) & Co.

Sifiala Fund Managers Limited

South Yorks Financial Planning

Charles Stanley & Co Ltd

Tattersall Investment Mngt. Ltd

Towry Law & Co

J. D. Ward Financial Services Ltd

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Orion Fund Limited

CANADA (SIB RECOGNISED)

Ivory & Sime Pembroke Inc

GUERNSEY (SIB RECOGNISED)

Adams & Neville Fd Mangt (Guernsey) Ltd

BBV-Hambros Asset Mngmt (Guernsey) Ltd

Baring Intl Fd Managers (Guernsey) Ltd

Equitable International Fund Managers Ltd

Gartmore Invest Managers (Guernsey) Ltd

Guinness Flight Fd Mngrs (Guernsey) Ltd

Hambros Fd Mgrs (CI) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

Lazard Fund Mngrs (Channel Islands) Ltd

Lion World Fixed Income Fund

Lloyds Intl Money Market Fund Ltd

M & G (Guernsey) Ltd

Prolific International Mngmt Ltd

Rothschild Asset Management (CI) Ltd

Royal Bank of Canada Funds

Sarasin Funds Mngmt (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

GUERNSEY (REGULATED)

Adams & Neville Fund Mngt (Guernsey) Ltd

Arab Bank Fund Managers (Guernsey) Ltd

Buckmaster Global Investment Fund Ltd

Credit Suisse Asset Mngmt (Guernsey) Ltd

Dartmet Management (Guernsey) Ltd

Fleet-Consell Fund Mngrs (Guernsey) Ltd

Jardine Fleming

Lazard Fund Managers (CI) Ltd

Havelet Throgmorton Mngmt Ltd

Henderson Admin. (Guernsey)

Holborn Fund Management (Guernsey) Ltd

Kleinwort Benson Intl Fd Mngt Ltd

Lazard Fund Managers (CI) Ltd

Merrill Lynch Guernsey

Nikko Capital Mngt (Guernsey) Ltd

Sandi International (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

Stonehenge Fund Mngrs Ltd

U.S. Treasury Securities Fund Ltd

Rudolf Wolff Capital Management (Gsy) Ltd

Yamaichi Capital Management (Guernsey) Ltd

IRELAND (SIB RECOGNISED)

GAM Fund Management Ltd

Hafslo Prolific International Mngmt Ltd

MI Global Asset Mngmt (Ire) Ltd

IRELAND (REGULATED)

Bank of Ireland Unit Managers

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and [illegible] off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

	Bid Price	Offer Price	+ or -	Yield Gross
Baring International Fd Mngrs (Ireland) Ltd				
Australia	$16.42	17.25	-0.13	1.05
Japan Tech	$63.11	66.27	-0.08	-
Japan Fund	$26.33	27.65	-0.12	0.17
Japan New Gen Fd	$20.44	21.47	-0.01	-
Malay Sing	$49.79	52.28	+0.73	0.31
Nth American	$21.43	22.51	+0.04	0.58
Octopus Fund	$20.97	22.02	-0.11	0.88
Pacific Fd	$63.31	66.48	-0.27	-
International Bond	$17.32	18.19	-0.02	6.89
Europe Fund	$13.38	14.05	+0.02	-
British Screen Fd	£0.94	0.99	-0.01	-
Tristar Warrant	$10.07	10.58	-0.07	-
Hong Kong	$49.64	52.13	-0.79	3.09
Mngd Portfolio (Stlg)	£4.18	4.50	-0.03	-
Mngd Portfolio (Dlr)	$10.17	10.73	-0.04	-
Currency Fd-Sterling	£19.50			-
Currency Fd-US Dollar	$15.36			-
Curr Fd-Deutschemark	DM40.53			-
Curr Fd-Managed $	$44.85	47.09	+0.04	-
Federated International Funds Plc				
Federated Short-term US Gov't Securities Fund				
Institutional Ser Series*	$1.00			5.27
Investment Series*	$1.00			5.27
*Annualised Yield				

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Midland Bank Fund Managers (Jersey) Ltd						
PO Box 26, St Helier, Jersey 0534 606000						
Intl Credit Portfolio	6	[illegible]	1.0050	1.0656	[illegible]	[illegible]
Gilt	5	[illegible]	[illegible]	[illegible]	[illegible]	10.44

For MIM see INVESCO MIM

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Royal Trust Jsy Fd Mngt Ltd (1400)F						
PO Box 428, St Helier, Jersey 0534 78077						
Govt Secs Fd	4	56.38	56.38	58.72	[illegible]	9.54
TSB Trust Funds (CI)						
PO Box 538, St Helier, Jersey 0534 73494						
TSB Offshore Investment Fund Ltd						
Stg Deposit Class	3	101.36	101.56	104.61	+0.03	10.00
Gilt & Fixed Interest	3	104.33	104.33	108.18	-0.18	7.95
Blue Chip & Cllt (Stg)	5	50.80	50.80	54.04	+0.02	5.70
International Bond	5	109.27	109.27	115.74	-0.18	5.53
UK Equity	5	138.18	138.18	149.74	+0.75	0.92
International Equity	5	117.26	117.26	125.33	-0.32	0.00
Far Eastern	5	92.63	92.63	99.08	-0.20	0.00
European	5	86.26	86.26	91.28	-0.30	0.00
Pan American	5	144.07	144.07	153.30	+1.73	0.00
TSB Gilt Fund Ltd						
Quarterly Share	3	96.78	96.78	100.01	+0.44	10.36
Monthly Share	3	96.42	96.42	99.62	+0.43	10.34

	Bid Price	Offer Price	+ or -	Yield Gross
Warburg Asset Management Jersey Ltd				
Ch Island & Int	£1.43			
Energy Int	$117.13			
Mercury Bond Oct 9	$27.29			
Metals Trust Oct 3	£14.57			
Merc Money Mkt Stlg	£40.[illegible]			
Mercury International Inv Tst Ltd				
Contl Europe Fd	£42.71			
Nth America Fd	£42.35			
Japan Fd	£45.33			
Pacific Fd	£45.48			
Reserve Fd	£50.14			
Wardley Fund Managers (Jersey) Ltd				
Wardley Funds Limited				
Managed Currency Fd	$16.56			
Worldinvest (Managers) Jersey Ltd				
Worldinvest Inc Fd †	$241.40			
Excalib Global Eqty $*	$53.81			
Excalib Global Eqty DM*	DM79.86			
Excalib Global Fd Inc DM*	DM23.37			
Valued weekly. * Mondays.				

ISLE OF MAN (SIB RECOGNISED)

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Allied Dunbar Intl Fund Mgrs (1600)F						
Lord Street, Douglas, IoM 0624 661551						
ADI Managed	5	0.576	0.576	0.6154	[illegible]	1.34
ADI Mgd Currency	5	0.3916	0.3916	0.4129	[illegible]	1.55
ADI W'wide Eq	5	0.6388	0.6388	0.6803	[illegible]	1.15
ADI Nth Amer Gth	5	0.7358	0.7358	0.7836	[illegible]	0.01
ADI Far East	5	1.121	1.121	1.193	[illegible]	1.11
ADI Gilt & Income	5	0.2527	0.2522	0.2658	[illegible]	2.58
ADI UK Cap Gth	5	0.2297	0.2297	0.2446	[illegible]	3.51
ADI Europe Fd	5	1.135	1.136	1.207		1.43

For conversion Prices of Shares Phone: 0624 662860

JERSEY (REGULATED)(**)

	Bid Price	Offer Price	+ or -	Yield Gross
Barclays Intl Funds				
Currency Funds				
Sterling	£21.17		+0.01	9.6
US Dollar	$31.33		+0.01	4.3
Deutschemark	DM54.92		+0.01	7.9
Yen	Y4,029		+0001	6.0
Managed Multicurrency	£13.35	13.83	+0.01	-
Managed Multicurrency	$25.15	26.04		-
Bond Funds				
Sterling Bond	£0.413	0.430	+0.001	10.6
US Government Income	$98.54	102.04	-0.31	6.6

LUXEMBOURG (SIB RECOGNISED)

Abbey Global Investment Fund

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

LUXEMBOURG (REGULATED)(**)

	Bid Price	Offer Price	+ or -	Yield Gross
Top Brand Fund Intl—SICAV (z)				
Top Brand Fd Intl	$14.58	15.32	-0.02	1.31
Inv Ad Warburg Asset Mngt London				
Transworld Bond Trust				
NAV	$12.18		(z)	-
US Pacific Stock Fund (z)				
NAV	$15.97			-
Unibank SA, Frontrunner I (z)				
Equities 92	Ecu79.79			-
Global Bonds	DKr118.84			-
Global Bonds	DM113.08			-
Sterling Fund	£127.60			-

	Bid Price	Offer Price	+ or -	Yield Gross
GT Management Plc—Contd.				
GT Global Tech (Sep)	$-			-
GT Hong Kong Fd (z)	$35.25		-0.44	3.09
GT Hshe Pider (z)	$12.33		-0.08	-
GT Investment Fd (z)	$16.19		+0.12	0.25
GT Jap OTC Stocks	$12.30		-0.24	-
GT Jap Sm Cos (z)	$16.46			0.40
GT Korea Fd (z)	$6.40			-
GT Latin America Fd (z)	$14.92		+0.69	-
GT Newly Ind Cs Fd (z)	$29.01			1.78
GT Taiwan Fd (z)	$9.13			-
GT Technology Fd (z)	$43.02		-0.20	-
GT DK Small Cos Fd (z)	$7.03			-
GT US Small Cos (z)	$15.79		+0.02	-

	Bid Price	Offer Price	+ or -	Yield Gross
Newport International Management				
Npt. Intl. Securities	$40.84		-0.94	-
Npt. Intl. Inc. Fd.	$20.44		-0.21	-
Npt. Pacific r(10-1)	$2.84		-0.08	-
Nomura Warrant Fund 1990 Ltd				
NAV	$1.69			-
North Star Fund Managers (Cayman) Ltd				
Invest Fund	DKr321.0	322.0		-
Low Risk Fund	DKr252.0	253.0		-
High Perf. Fund	DKr311.0	312.0		-
Bond Fund	DKr175.0	176.0	+1	-
Second Low Risk Fd	DKr191.0	192.0	+1	-
Second High Perform Fd	DKr236.0	237.0	+1	-

WORLD STOCK MARKETS

US MARKETS (1:30 pm)

October 11	US$	+ or −
AAR Corp	12⅞	−⅛
AMP Inc	48¾	−⅜
AMR Corp	58	+⅝
ASA	47¼	+⅛
Abbott Labs	53⅞xd	−⅛
Acme Cleveland	6⅛xd	−⅛
Adobe Res	7⅛	−⅛
Advanced Micro	10⅛	+⅛
Aetna Life	34⅛xd	+⅜
Affiliated Publ	7⅞	−⅛
Ahmanson (HF)	16½	−⅛
Air Prod & Chemical	67⅞xd	+⅜
Alberto-Culver B	23⅞	....
Albertson's	36¼xd	+⅛
Alcan Aluminium	19⅝	+½
Alco Standard	31⅞	−½
Alexander & Alex	19⅝	−⅛
Alex & Baldwin	25	....
Allegheny Power	42⅞	−⅛
Allied Signal	39½	+⅞
Aluminum Co of Am	61¼xd	−⅛
Amax	20¼xd	+⅛
Amdahl Corp	13⅞	−⅛
Amerada Hess	55¾	−⅛
Amer Brands	42⅞	+⅛
Amer Cyanamid	64¾	+1
Amer El Power	30⅞	+⅛
Amer Express	20¼xd	+⅛
Amer Family Corp	23¾	−⅛
Amer Genl Corp	41⅞	+⅛
Amer Greetings Cl A	35⅞	+⅛
Amer Home Pr	68¼	....
Amer International	80¼xd	+⅛
Amer Natl Ins	34	+⅛
Amer Stores	36⅞xd	+⅛
Amer T & T	37	+⅛
Ameritech	60⅞	−⅜
Ames Dept Stores	1.12	+0.13
Ametek Inc	12⅞	....
Amoco	52¼	−⅛
Analog Devices	7¼	+⅛
Anheuser-Busch	52⅛	+⅛
Aon Corp	35½xd	....
Apple Computers	47⅞	....
Archer Daniels	24⅞	+⅛
Arkla	15⅞	−⅛
Armco	5⅝	+⅛
Armstrong World	33⅛	+⅝
Asarco	25⅞	+⅜
Ashland Oil	28¼	....
Ashton-Tate	16⅞	+⅛
Atlantic Richfield	117⅛	−⅜
Auto Data Pro	36¼	....
Autodesk	47¼	−2
Avery Dennison	20⅛	....
Avnet Inc	24⅝	+⅛
Avon Products	42⅞	−⅛

INDICES

NEW YORK

DOW JONES	Oct 10	Oct 9	Oct 8	Oct 7	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	2976.52	2946.33	2963.77	2942.75	3055.23 (28/8)	2470.30 (9/1)	3055.23 (28/8/91)	41.22 (2/7/32)
Home Bonds	97.06	[illegible]	[illegible]	97.21	97.30 (4/10)	91.30 (16/1)	97.30 (4/10/91)	54.99 (1/10/81)
Transport	1206.46	1182.92	1188.34	1178.44	1241.89 (3/6)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	211.00	211.50	212.82	212.51	220.89 (16/4)	195.17 (10/7)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 2985.47 (2984.79) Low [illegible] (2925.54)

STANDARD AND POOR'S

	Oct 10	Oct 9	Oct 8	Oct 7	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite †	380.55	376.80	380.67	379.50	396.64 (28/8)	311.49 (9/1)	396.64 (28/8/91)	4.40 (1/6/32)
Industrials	449.59	445.37	449.61	448.54	472.01 (29/8)	364.90 (9/1)	472.01 (29/8/91)	3.62 (21/6/32)
Financial	30.57	30.11	30.58	30.50	32.24 (14/8)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	209.55	207.95	209.78	209.16	217.17 (28/8)	170.97 (9/1)	217.17 (28/8/91)	[illegible] (25/4/42)
Amex Mkt. Value	368.59	368.51	369.19	369.02	374.95 (1/10)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	515.94	513.81	517.25	516.20	528.51 (1/10)	355.75 (14/1)	528.51 (1/10/91)	54.87 (31/10/72)

	Oct 4	Sep 27	Sep 20	year ago (approx.)
Dow Industrial Div. Yield	3.12	3.08	3.04	4.04

	Oct 9	Oct 2	Sep 25	year ago (approx.)
S & P Industrial div. yield	3.24	2.74	2.73	3.56
S & P Indl. P/E ratio	20.53	21.14	21.14	14.28

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Limited	5,729,500	21¾	− 1⅛
Glaxo Hldgs	2,315,700	47¾	− 1½
AT & T	2,281,100	36⅞	+ ⅛
Allied Signal	2,033,200	38⅝	− 1⅛
Chrysler	1,966,000	11¼	+ ⅛
RJ Nabisco	1,957,400	10½	—
West Elec	1,930,700	18	− ⅛
Wal-Mart	1,833,700	46⅛	+ ⅛
Gen Elec	1,812,900	67¼	+ 1⅞
Amer Express	1,714,000	20½	− ⅛

TRADING ACTIVITY

† Volume (Millions)	Oct 10	Oct 9	Oct 8
New York SE	164.120	186.990	170.000
Amex	12.006	11.796	11.092
NASDAQ	166.802	165.401	158.963
NYSE			
Issues Traded	2,076	2,104	2,095
Rises	796	531	883
Falls	722	1,042	678
Unchanged	558	531	534
New Highs	51	75	74
New Lows	22	28	29

CANADA

TORONTO	Oct 10	Oct 9	Oct 8	Oct 7	1991 HIGH	1991 LOW
Metals & Minerals	2806.51	2774.29	2761.97	2761.80	3299.99 (18/7)	2632.06 (9/1)
Composite	3345.08	3339.50	3353.71	3357.13	3582.07 (7/6)	3161.95 (15/1)
MONTREAL Portfolio	1781.72	1772.41	1775.51	1779.39	1903.86 (7/6)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

WORLD STOCK MARKETS

AMERICA

Dow marks time as Fed leaves policy unchanged

Wall Street

SHARE PRICES traded little changed yesterday morning after the Federal Reserve failed to respond to good inflation news with a cut in interest rates, *writes Patrick Harverson in New York*.

By 1pm the Dow Jones Industrial Average was unchanged at 2,976.52. The [illegible] broadly [illegible] Standard & Poor's 500 [illegible] slightly easier, down 0.19 [illegible] while the Nasdaq composite [illegible] over-the-counter [illegible] to [illegible] Turnover on the NYSE was a modest 89m shares.

[illegible] expected, [illegible] September producer prices [illegible] showed almost [illegible] inflationary [illegible] in the economy, with producer prices [illegible] just 0.1 per cent last month, or rising [illegible] all if energy and food prices are excluded. Underlying [illegible] in September were also little changed, although a surge in car [illegible] boosted the headline rate to a 0.7 per [illegible]

Although the [illegible] made ample room for an easing of monetary policy, the Fed chose not to act. In fact, the Fed's aggressive operations in the credit markets left everyone in no doubt that policy was remaining unchanged.

Analysts still expected an easing of policy, possibly on Tuesday when the bond markets reopen after the Columbus Day holiday, but the [illegible] inaction yesterday [illegible] some [illegible] doubt.

Among individual stocks, Allied Signal, up [illegible] continued to benefit from the warm reception to its restructuring plan unveiled earlier this week. The other big industrial group to announce a significant corporate overhaul, Westinghouse, held steady at $18.

Merrill Lynch recovered from the midweek losses triggered by allegations that the securities house had helped a troubled Florida insurance company to disguise its junk bond holdings from state regulators during the 1980s. Merrill has denied any wrongdoing and the shares [illegible] to $46⅝.

A rise in September [illegible] boost motor manufacturers, which remained weak ahead of [illegible] are likely to be announcements of big third quarter [illegible] General [illegible] fell [illegible] to $37¾, Chrysler eased [illegible] $11¼ and Ford [illegible] to $30.

There was strong demand for the newcomer, [illegible] new issue [illegible] priced [illegible] share yesterday. By early afternoon the stock had risen to $22¼ on [illegible] of 2m shares.

In [illegible] trading, Immunex rose [illegible] after [illegible], the broking house, [illegible] rating on the [illegible] "hold" [illegible] "trading buy". [illegible] Immunex [illegible] marked down unnecessarily amid confusion over the [illegible]pany's purchasing pact [illegible] American [illegible] Systems.

On the American [illegible] Torotel fell [illegible] family and [illegible] Technology [illegible] fallen through.

Canada

TORONTO [illegible] rose [illegible] bargain-hunting and [illegible] bond [illegible] posite index rose 10.0 [illegible] 3,255.1. [illegible] by [illegible] on volume [illegible] valued [illegible]

Nova Corp of Alberta topped the most active list, dropping [illegible] on [illegible] 872,000 shares. The company has delayed until 1992 a decision on whether to split into two independent, publicly traded companies.

SOUTH AFRICA

JOHANNESBURG drifted after Thursday's holiday and before the weekend. The all-share index dropped 8 to 3,365, as the all-gold index fell 2 to 1,171 and the industrial index added 1 to 4,049. Vaal Reefs fell 50 cents to R207.

Germany shows few signs of an early recovery

An uninspiring recent performance and a slump in volume are cause for concern, says David Waller

THE GERMAN equity [illegible] a [illegible] patient who [illegible] been in [illegible] for several months. Like so many [illegible] in the [illegible] a prolonged period of paralysis, analysts [illegible] around [illegible]iously [illegible] of [illegible] The longer they wait, the greater [illegible] the patient's condition [illegible] before [illegible] better.

The rot [illegible] nearly [illegible] the two Germanys came down and the market was infected with a mood of unthinking optimism about the prospects for a united country. Shares were bid up to unrealistic levels and, when the correction came in the aftermath of Iraqi President Saddam Hussein's invasion of Kuwait last summer, it was severe.

From a high point of 1,939.5 in March last year, the DAX index of leading shares fell to a post-Kuwait low of 1,320 some months later. By June of this year it had climbed back to the 1,600 mark, and it has been stuck around that level ever since, occasionally reaching 1,640 but more recently sinking back down to its current level of 1,568.

Hand in hand with this uninspiring performance, there has been a slump in the volume of [illegible] plain that it is not unusual to [illegible] daily [illegible] ($1.5bn), the lowest [illegible] since 1984 and [illegible] than [illegible] might have been [illegible] quiet before the [illegible] paralysis took hold of the [illegible] Liquidity is negligible, even [illegible] "You can't even sell a couple of thousand BMW shares," complains one stockbroker. "The [illegible] completely dried up."

"This lack of liquidity means [illegible] the market does [illegible] a sense of direction, [illegible] will be an earthquake, whether it moves up or down," reflects Mr Gebhard Klingenstein of Barclays de Zoete Wedd. This feeling is shared by Mr Adrian Phillips of Kleinwort Benson. "I am certain that the market is about to move 150 points," he jokingly remarks, "but I can't tell you which way."

There is a consensus among analysts that, notwithstanding short-term problems with the integration of the new Länder in the east and a marked slowdown in the economy as a whole during the second half, the outlook for Germany over the medium-to-long term is bright.

Already Europe's strongest economy, Germany is [illegible] be in the best position to benefit from the reconstruction of the former Soviet Union. As Dr Richard Reid of UBS Phillips and Drew puts it: "The political situation in Europe is irreversibly positive [illegible] German [illegible] in the medium term." But whether this means a short-term revival for the sclerotic stock market is another question.

In spite of this year's 10 per cent underperformance of the market relative to other European markets, it is difficult to argue that shares are cheap. Assuming growth in corporate earnings of 8 per cent for next year – against a standstill for the current year and a fall of 5 per cent last year – the market is on a prospective price/earnings multiple of approximately 14.

According to Mr Marcus Grubb of UBS Phillips & Drew, this is in line with the average multiple for the German market during the late 1980s. But he concedes that other European markets are valued more cheaply relative to their historic levels. Moreover a multiple [illegible] 14 times is not fundamentally cheap and it [illegible] that earnings really will grow at 8 per cent next year. There are already mutterings among bankers in Frankfurt that next year's recovery in profits will not be nearly [illegible] pronounced.

The relationship [illegible] on bunds and on equi[illegible] also [illegible] expensive. Traditionally bunds yield just over three times equities; at present, with bunds yielding 8.4 per cent, the multiple is 3.4 times the dividend yield. True, bund yields have fallen by 30 basis points in the last two to three months, and are predicted to fall further. But this hardly constitutes an unequivocal buy [illegible] for shares.

Add the economic downturn into the equation, plus ner[illegible] about [illegible] inflationary outlook and the prospect of a [illegible] period of high interest rates, not to mention the vast costs of integrating what used to be East Germany, it is difficult to see what there is to be positive about.

The first claims for [illegible] year's wage round are coming in above 10 per cent. Even if the unions eventually settle for [illegible] per cent, the implications for corporate earnings, inflation and monetary policy are all negative, from a stock market point of view. Evidence that the east is getting back on its [illegible] – in [illegible] form of lower unemployment figures and impressive business start-up statistics – [illegible] positive, but not enough to alter the fundamentally gloomy short-term outlook for the market.

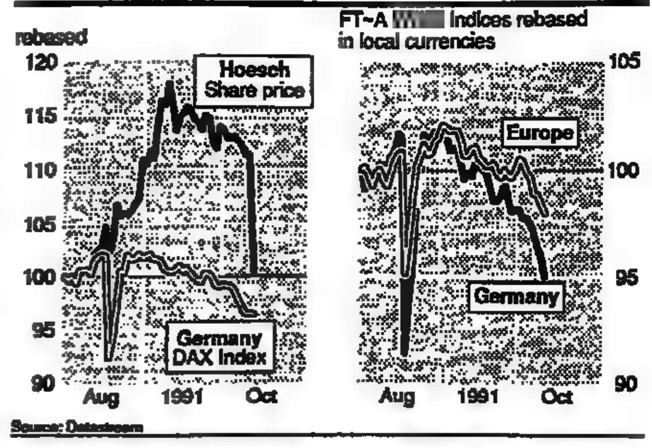
A number of brokers recently put out pieces [illegible] research arguing that now is a good time to buy German shares. They reason that a difficult final quarter for the economy will give [illegible] early next year, providing a much improved outlook for the second half of 1992 onwards. According to this argument, inflation is set to peak at 5 per cent early next year before falling back to 3 per cent by the end of the year. This will lead to lower interest rates, already discounted in falling bund yields, and higher share prices.

Paribas Capital Markets predicts that the market has the potential to rise "at least 20 per cent", although this is on the assumption that earnings manage to grow at 8-9 per cent next year. Mr Grubb at UBS is also bullish and argues that the recovery will be felt most keenly by engineering and [illegible] also expects strong performances from the banking and retail sectors.

In spite of this prognosis, only brave investors will buy at today's levels: the optimists are looking just too far into the future.

HOESCH dropped [illegible] or 9.7 per [illegible] to DM264.50 when it [illegible] requoted yesterday [illegible] Thursday's suspension. Krupp's intention to take a majority stake in [illegible] fellow [illegible] group has dashed market hopes [illegible] full [illegible] Hoesch had reached a year's high [illegible] DM311 one month [illegible] on speculation [illegible] bid.

Analysts [illegible] disappointed by [illegible] from Krupp about the merger and by [illegible] it [illegible] keep Hoesch in German hands.



Source: Datastream

EUROPE

Bourses end the week steadily as strike closes Milan

BOURSES WERE mostly steady yesterday. [illegible] by [illegible] traders' strike; [illegible] would [illegible] prompted [illegible] exchange [illegible] emer[illegible] October trading month, [illegible] on Wednesday, *writes Our Mar[illegible]*

FRANKFURT [illegible] falling for most [illegible] its performance [illegible] reaction [illegible] weakness, and [illegible] they were [illegible] a further drop [illegible] week.

The real-time DAX index ended 0.47 higher [illegible] 1,568.42, [illegible] the [illegible] index, calcu[illegible] midsession, rose [illegible] 647.46. [illegible] 2.1 per cent on the week. Volume was near Thursday's DM4.6bn.

The utility sector, favoured by several brokers, rose before the news that RWE is to raise its dividend on 1990/91 results [illegible] DM11 from DM10. RWE added DM1.50 to DM380.

STOCKHOLM [illegible] the [illegible] index edged up 0.2 to 999.9 and turnover rose to [illegible] from [illegible] market fell [illegible] per cent on a week characterised by a higher-than-expected inflation figure [illegible] poor [illegible], particularly [illegible] forestry [illegible].

Worries [illegible] for construction [illegible] free B shares down SKr12 or 8 per cent to SKr138. Ericsson, which announced a SKr1.06bn order during the week, saw its free Bs rise SKr4 to SKr160.

Astra free Bs rose SKr6 to SKr518. One analyst said that the stock looked cheap, after recent selling by funds reducing their weighting in Sweden.

OSLO fell again, as its banking index hit a record low of 37.98, down 2.79. Den norske Bank fell SKr6 to SKr24 before its quarterly results, due later this month. The all-share index lost 4.22 to 473.05, down 2.2 per cent on the week.

PARIS suffered from technical weakness and finished near its day's low. The CAC 40 index fell 9.82 to 1,833.82, for a [illegible] on [illegible] 1 [illegible] cent, in fairly light trading after Thursday's FFr2bn.

Schneider and its subsidiary, [illegible] Batignolles, [illegible] FFr678 and FFr474.90 respectively, on renewed rumours that Schneider, which reported a fall in first-half profits, was considering selling its Spie stake. Schneider closed FFr6 up at FFr672 and Spie FFr5 higher at FFr461.

[illegible] Avionique plunged FFr70.40 or 18.8 per [illegible] a year's [illegible] FFr304.60. The aeronautical company reported a first-half loss of FFr17m after a profit of FFr107m last year.

Accor lost another FFr9 to FFr725 after postponing the publication of its results earlier in the [illegible] Havas, which has results due next week, fell FFr13 to FFr455.

ZURICH rose in moderate trading, on demand for chemical shares. The Crédit Suisse index [illegible] 1.9 [illegible] 508.1, slightly down on [illegible] week. Swiss Reinsurance bearers rose [illegible] before [illegible] insurer [illegible] had a majority stake in Elvia.

In BRUSSELS, the Bel20 index came off the day's high to close 5.36 up at 1,109.56, a rise of 1.2 per cent on the week. Petrofina gained BFr125 to BFr11,125 in active trading.

AMSTERDAM fell from the day's high as the CBS Tendency Index added 0.5 to 88.7, down 0.8 per cent on the week.

FT-SE Eurotrack 100 - Oct 11

Hourly changes

Open	11 am	[illegible]	1 pm	2 pm	3 pm	4 pm	[illegible]
[illegible]	1090.69	1090.31	[illegible]	[illegible]	[illegible]	[illegible]	1088.47

Day's High	[illegible]	Day's Low	[illegible]

Oct [illegible]	Oct [illegible]	Oct [illegible]	Oct 7	Oct 4
1086.32	1088.95	[illegible]	[illegible]	[illegible]

Base value 1000 [illegible]

ASIA PACIFIC

Nikkei drifts lower in cautious trading

Tokyo

SHARE PRICES drifted lower on arbitrage-related selling yesterday, as investors unwound their positions ahead of the weekend, *writes Emiko Terazono in Tokyo.*

The Nikkei average closed 327.54 lower at 24,157.72, down 1.8 per cent on the week. The index opened at the day's high of 24,466.77 and fell to a low of 24,139.33 at the morning close.

Volume shrank to 250m shares from Wednesday's 330m. The market was closed on Thursday. Investors were cautious about the outcome of the meeting of the finance ministers of the Group of Seven industrialised nations which starts today. They were also concerned about the possible negative effects of the business suspension of [illegible] Big Four [illegible] – Nomura, Daiwa, Nikko and Yamaichi – from [illegible] Tuesday.

Losses outnumbered gains by 645 to 283, with 195 issues unchanged. The Topix index of all first section stocks fell 7.42 to 1,853.33 but, in London, the ISE/Nikkei 50 index added 1.07 to 1,407.61.

Interest focused on drug-related stories. Nippon Mining, which had risen in active trading on Wednesday on rumours that it was developing a new drug, fell Y5 to Y603 on profit-taking. Ajinomoto, the seasoning maker, lost Y20 to Y1,700, after rising initially on reports that the US government had approved the use of Ajinomoto's drug, DDI, to treat Aids.

Meiji Seika, the most active issue of the day, fell Y50 to Y1,160 on profit-taking, as investors ignored the confectioner's upward revision of earnings. The issue had been popular following the company's development of a new anti-cancer drug.

Resource-related stocks, which [illegible] rising on reports [illegible] aid to the [illegible] Union, [illegible] ground, [illegible] Sumitomo Metal Mining down Y10 at Y1,100 and Teikoku Oil retreating [illegible] Y960.

[illegible] based in the Hiroshima prefecture gained ground on hopes that Mr Kiichi Miyazawa, the prefecture's representative, will be the winner of the Liberal Democratic Party presidential election. [illegible] Iron [illegible] construction machinery maker, rose Y37 to Y937 and Ryobi, the die-castings maker, added Y41 to Y626.

In Osaka, the [illegible] rose [illegible] to 26,517.55 on volume [illegible] 18.5m shares. [illegible] rate-sensitive issues [illegible] ground [illegible] the fall in [illegible] prices.

Ono Pharmaceutical rose Y170 to Y5,450 on bargain-hunting following its recent weakness. The stock price has been volatile because of high margin positions.

Roundup

POLITICAL worries depressed Hong Kong yesterday, as the Pacific Rim put on a mixed performance.

HONG KONG fell in [illegible] trading, [illegible] that the US [illegible] investigate [illegible] trade practices by China.

The Hang Seng [illegible] 4,017.98, down 1.2 [illegible] cent on the week, in turnover [illegible] HK$1.16bn, [illegible] from HK$1.07bn.

SINGAPORE rose [illegible] bargain-hunting. The [illegible] Industrial index [illegible] at the day's high of 1,352.37, up 16.39 on the day but unchanged on the week. Volume picked up to 43m shares from 28m shares.

SEOUL retreated on profit-taking, and rumours of a rights issue and an investigation into some share price movements. The composite index fell 7.11 to 708.30, for a loss on the week of 1.7 per cent. Turnover grew to Won413bn from Won341bn.

BANGKOK declined in the last day of trading before a four-day weekend. The SET index shed 5.51 to 639.09, for a 3.8 per cent fall on the week. Turnover was Bt1.8bn.

MANILA rose on bargain-hunting and reports of oil drilling plans for next month. The composite index gained 10.74 to 978.81, but fell 1 per cent on the week. Turnover picked up to 103m pesos [illegible] 78m.

TAIWAN edged higher in early trading after Thursday's peaceful National Day celebrations, but profit-taking and the Hong Kong market's weakness pulled the index lower by the close. The weighted index slipped 12.28 to 4,813.20, but rose 1.5 per cent on the week.

BOMBAY got support from state-owned mutual funds. The BSE index touched 1,[illegible] before closing at 1,764.50, up 12.00 on the day but down 0.5 per cent on the week.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, [illegible] & Co., and County [illegible] Mackenzie in conjunction with the Institute [illegible] and [illegible] Faculty of [illegible]

NATIONAL AND REGIONAL MARKETS	THURSDAY OCTOBER 10 [illegible]								WEDNESDAY OCTOBER 9 1991					DOLLAR INDEX		
Figures in [illegible] number of [illegible] of stock	US Dollar Index	Day's Change %	Pound [illegible]	Yen Index	[illegible] Index	Local Currency [illegible]	Local [illegible] on day	[illegible] Div. [illegible]	US [illegible] Index	Pound [illegible]	[illegible]	DM Index	Local Currency Index	[illegible] High	1991 [illegible]	Year [illegible] (approx)
Australia (69)	150.04	−1.1	129.67	[illegible]	[illegible]	[illegible]	−1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	126.81	[illegible]	112.74	[illegible]
Austria (20)	170.96	−0.7	[illegible]	[illegible]	[illegible]	[illegible]	−0.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	222.37	154.82	187.88
Belgium (47)	128.75	+[illegible]	111.27	[illegible]	[illegible]	110.81	+0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	151.20	118.04	132.42
Canada (114)	134.36	+0.3	116.12	110.70	[illegible]	[illegible]	+0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	126.49	123.72
Denmark (37)	247.98	+0.0	214.32	204.33	[illegible]	220.50	−0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	220.79	[illegible]	217.74	246.35
Finland (15)	85.47	+1.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	101.24
France (109)	139.67	−0.2	120.71	[illegible]	123.00	[illegible]	+0.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	152.26	[illegible]	132.40
Germany (65)	104.95	−1.2	[illegible]	[illegible]	92.43	[illegible]	−1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	125.35	94.15	111.14
Hong Kong (55)	167.81	−0.5	145.03	[illegible]	147.80	[illegible]	−0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	119.82	117.44
Ireland (18)	155.40	−0.1	134.30	[illegible]	[illegible]	[illegible]	+0.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	182.46	132.88	149.66
Italy (77)	69.26	−1.4	59.86	[illegible]	[illegible]	[illegible]	−1.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	66.26	86.23	64.76	83.30
Japan (474)	141.09	−0.3	121.94	116.25	[illegible]	[illegible]	+0.0	0.73	141.47	122.16	116.25	[illegible]	[illegible]	[illegible]	116.23	123.22
Malaysia (68)	191.29	+0.1	165.32	157.61	[illegible]	202.09	−0.1	2.99	[illegible]	[illegible]	[illegible]	[illegible]	202.21	247.78	[illegible]	186.41
Mexico (16)	1258.42	+0.9	1087.57	1036.89	1108.30	4212.96	+0.9	1.25	1247.36	1077.07	1025.02	1096.62	4175.96	1258.42	894.45	489.20
Netherland (31)	136.95	−0.9	118.36	112.84	120.62	119.30	−0.7	4.52	138.14	119.28	113.52	[illegible]	120.14	145.73	125.70	132.12
New Zealand (14)	46.35	−0.2	40.06	38.19	40.82	43.41	+0.0	6.70	46.44	40.10	38.17	40.83	43.42	54.64	41.18	53.24
Norway (31)	192.24	+0.4	166.14	158.40	169.31	172.99	+0.2	1.63	191.48	165.34	157.35	168.34	172.57	223.24	178.58	242.41
Singapore (38)	184.96	−0.3	159.85	152.40	162.89	144.13	−0.7	2.47	185.45	160.13	152.39	163.08	145.15	208.25	151.83	147.87
South Africa (61)	247.60	−0.6	213.99	204.01	218.06	168.86	+0.0	2.87	249.14	215.13	204.73	219.02	168.86	258.85	173.00	163.05
Spain (53)	151.34	−0.1	130.79	124.70	133.28	122.79	+0.1	4.43	151.41	130.74	124.43	133.11	122.88	171.12	131.51	135.15
Sweden (25)	179.90	−0.6	155.47	148.23	158.44	164.39	−0.3	2.71	180.95	156.25	148.70	159.08	164.88	204.12	146.60	179.24
Switzerland (59)	92.15	−0.7	79.64	75.94	81.17	84.67	−0.6	2.28	92.82	80.15	76.28	81.61	85.17	100.67	82.17	90.95
United Kingdom (240)	176.75	−0.6	152.75	145.62	155.65	152.75	−0.5	4.85	177.82	153.54	146.11	158.31	153.54	187.44	156.27	164.89
USA (526)	154.60	+0.9	133.61	127.39	136.16	154.60	+0.9	3.14	153.17	132.25	125.87	134.86	153.17	161.02	125.95	119.06
Europe (827)	137.99	−0.6	119.26	113.70	121.54	120.95	−0.5	3.96	138.86	119.80	114.11	122.09	121.57	151.52	125.50	134.99
Nordic (108)	179.06	−0.1	154.75	147.54	157.70	155.17	−0.1	[illegible]	[illegible]	154.81	[illegible]	157.62	155.38	200.81	155.55	184.41
Pacific Basin (718)	141.29	−0.3	122.11	116.42	124.44	117.37	−0.1	[illegible]	141.72	[illegible]	[illegible]	[illegible]	117.45	145.92	117.86	122.95
Euro-Pacific (1545)	140.32	−0.4	121.27	115.61	123.58	[illegible]	−0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	147.86	[illegible]	[illegible]
North America (640)	153.28	+0.9	132.47	126.31	135.01	151.57	+0.9	3.16	151.90	131.17	124.84	133.57	150.21	159.88	125.91	119.28
Europe Ex. UK (587)	115.12	−0.6	99.49	94.87	101.41	102.77	−0.5	3.28	115.87	100.05	[illegible]	101.89	103.29	129.80	103.58	116.82
Pacific Ex. Japan (244)	143.15	−0.6	123.72	117.97	[illegible]	126.15	−0.7	[illegible]	[illegible]	124.41	[illegible]	[illegible]	127.03	147.60	[illegible]	[illegible]
World Ex. US (1736)	141.93	−0.4	122.66	116.96	125.01	[illegible]	−0.2	[illegible]	142.51	[illegible]	117.31	[illegible]	121.08	146.16	122.32	[illegible]
World Ex. UK (2022)	142.13	+0.2	[illegible]	117.11	[illegible]	[illegible]	+0.3	2.30	[illegible]	[illegible]	116.62	124.77	126.89	145.77	[illegible]	120.33
World Ex. So. Af. (2201)	144.47	+0.1	124.86	[illegible]	127.25	131.16	+0.2	[illegible]	144.35	[illegible]	[illegible]	[illegible]	130.90	148.86	122.92	124.06
World Ex. Japan (1788)	148.69	+0.2	128.50	122.53	130.97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	152.85	126.69	126.08
The World Index (2262)	145.15	+0.1	125.44	119.60	127.84	131.48	+0.2	2.57	145.04	125.24	119.19	127.52	131.22	149.01	123.28	124.29

[illegible] closed [illegible] 10: Japan & South Africa. Latest prices were unavailable for this edition.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1991 High	Low	[illegible]	[illegible] £	+ or −	Yield Int.	Red.
100¼	99¾	Exch. 11pc 1991	100¼xd		10.99	[illegible]
99½	96¾	Treas. 8pc 1991	99¾		8.06	9.95
101½	100¾	Treas. 12¾pc 1992‡‡	100¾		12.67	10.04
100¼	97¾	Treas. 10pc 1992	99¾		10.01	10.01
133¼	125½	Treas. 2pc IL 1992‡‡	133½	+⅛	1.99	7.92
99¼	95¾	Treas. 8pc 1992‡‡	99¼	+⅛	8.08	[illegible]
100¾	98½	Treas 10½pc Cv 1992‡‡	100¼xd		10.46	[illegible]
96¼	91¼	Treas. 3pc 1992	94½		3.10	[illegible]
102½	100½	Exch. 12¼pc '92	101¾		12.02	[illegible]
104¼	102½	Exch 13½pc 1992	103		13.07	9.71
98½	94	Treas 8¾pc 1993	98½	+⅛	8.40	[illegible]
100¾	97¼	Treas 10pc 1993‡‡	100¾		9.96	[illegible]
104¼	102½	Treas 12½pc 1993‡‡	104¼	+⅛	11.98	9.73
95¼	89½	Funding 6pc 1993‡‡	95	+⅛	6.32	[illegible]
108¾	105½	Treas 13¾pc 1993‡‡	107½		12.81	[illegible]
97¾	92¾	Treas. 8½pc 1994	97¼	+⅛	8.72	9.70
111¾	108½	Treas 14½pc 1994‡‡	110		13.18	9.67
[illegible]	105	Exch 13½pc 1994	108¼xd	+⅛	12.48	9.76
101½	96½	Treas. 10pc Ln. 1994‡‡	100¾	+⅛	9.94	9.72
107½	103¾	Exch. 12½pc 1994	106¼	+⅛	11.74	[illegible]
98¾	93¼	Treas 9pc 1994‡‡	98¼xd	+⅛	9.18	[illegible]
106½	102¼	Treas 12pc 1995	106¼	+⅛	11.31	[illegible]
[illegible]	82¼	Exch 3pc Gas 90-95	88¼xd		3.39	[illegible]
102½	96½	Exch. 10¼pc 1995	101½	+⅛	10.10	[illegible]
110½	105¼	Treas 12¾pc 1995‡‡	109¾xd	+⅛	11.62	[illegible]
114½	109½	Treas. 14pc '96	113½	+⅛	12.33	10.00
99½	92½	Treas 9pc 1992-96‡‡	98¼	+⅛	9.11	[illegible]
119½	115½	Treas 15¼pc 1996‡‡	118¼xd	+⅛	12.84	[illegible]
112½	[illegible]	Exch 13¼pc 1996‡‡	111¼xd	+⅛	11.84	[illegible]

Five to Fifteen Years

1991 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101¾	95¾	Conversion 10pc 1996	100¾xd	+⅛	9.91	[illegible]
101¾	97¼	Do. 10pc 1996 B	100½		10.11	[illegible]
114½	108¾	Treas 13¼pc 1997‡‡	113¼	+⅛	11.71	[illegible]
103½	97¼	Exch 10½pc 1997	102¾	+⅛	10.22	[illegible]
96¾	89¾	Treas 8¾pc 1997‡‡	95¾	+⅛	9.14	9.70
123½	117	Exch 15pc 1997	121¾xd	+⅛	12.32	10.07
100¾	93¾	Exch. 9¾pc 1998	99¾	+⅛	9.79	9.78
88¾	80¼	Treas 6¾pc 1995-98‡‡	87¾xd	+⅛	7.69	9.28
128½	121¾	Treas. 15½pc '98‡‡	127¼	+⅛	12.18	[illegible]
111¾	104¼	Exch. 12pc 1998	110¼	+⅛	10.87	[illegible]
100¾	92¾	Treas 9½pc 1999‡‡	99¼	+⅛	9.58	[illegible]
113½	105¾	Exch. 12¼pc 1999	112½	+⅛	10.92	[illegible]
104½	97¼	Treas. 10½pc 1999	103¾	+⅛	10.13	[illegible]
103¾	95¼	Conversion 10¼pc 1999	102¾	+⅛	10.02	[illegible]
97¾	89¼	Conversion 9pc 2000‡‡	96¾	+⅛	9.33	[illegible]
118¾	110½	Treas. 13pc 2000	117¾	+⅛	11.08	[illegible]
103¼	94¼	Treas 10pc 2001	101¾	+⅛	9.85	[illegible]
119¾	113½	Treas. 14pc '98-01	118¼	+⅛	11.81	[illegible]
101¾	92¾	Treas 9¾pc 2002	100¼	+⅛	9.73	[illegible]

BRITISH FUNDS – Contd

1991 High	Low	[illegible]	[illegible] £	+ or −	Yield Int.	Red.
104½	94½	Treas 10[illegible]	102¼	+⅛	9.78	9.69
111	102	Treas. [illegible]	109¾	+⅛	10.50	9.93
62½	53½	Funding [illegible] '99-04	61¼	+⅛	5.73	8.61
100¾	90¼	Conversion [illegible]	[illegible]	+⅛	[illegible]	8.67
[illegible]	[illegible]	Conversion [illegible]	[illegible]	+⅛	[illegible]	9.66
[illegible]	[illegible]	Conversion [illegible]	[illegible]	+⅛	[illegible]	[illegible]
121½	111	Treas. 12½pc 2003-05	[illegible]	+⅛	10.48	[illegible]
88¾	79¼	Treas. 8pc 2002-06‡‡	[illegible]	+⅛	9.19	[illegible]

Over Fifteen Years

1991 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
115½	105¾	Treas. 11¾pc 2003-07	113¾	+⅛	10.34	[illegible]
93¾	84¾	Treas 8½pc 2007‡‡	91¼	+⅛	9.30	[illegible]
129¾	118½	Treas. 13½pc '04-08	126¾	+⅛	10.64	[illegible]
96	88¾	Treas. 9pc 2008‡‡	95¾	+⅛	[illegible]	[illegible]
89½	80	Treas 8pc 2009	87¾	+⅛	[illegible]	[illegible]
97¾	88	Conv 9pc Ln 2011‡‡	95½	+⅛	[illegible]	[illegible]
98½	91¾	Cnv. 9pc 2011 A	95¾	+⅛	[illegible]	[illegible]
66	58½	Treas. 5½pc 2008-12‡‡	64¾	+⅛	[illegible]	[illegible]
85¾	76¾	Treas. 7¾pc 2012-15‡‡	83¾	+⅛	[illegible]	[illegible]
125¼	113½	Exch. 12pc '13-'17	122½	+⅛	[illegible]	[illegible]

Undated

1991 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
41¾	37¾	Consols 4pc	40½	.....	[illegible]	–
37¼	33½	War Loan 3½pc‡‡	36¾	.....	[illegible]	–
60¼	57¼	Conv. 3½pc '61 Aft	59¾	+⅛	[illegible]	–
30½	28¼	Treas. 3pc '66 Aft	29¾xd		[illegible]	–
26½	23¾	Consols 2½pc	25¼xd		[illegible]	–
26¼	23¾	Treas. 2½pc	25¾		[illegible]	–

Index-Linked

1991 High	Low	Stock (b)	Price £	+ or −	(1)	(2)
122¼	115¼	Treas. 2pc '94 (102.9)	122¼xd	+⅛	2.63	3.58
[illegible]	168	Do. 2pc '96 (67.9)	176¾	+⅛	3.35	[illegible]
144½	137¾	Do 2½pc '01 (78.3)	144¾	+⅛	[illegible]	[illegible]
140¾	133	Do. 2½pc '03 (78.8)	140½	+⅛	[illegible]	[illegible]
142½	135	Do. 2pc '06 (69.5)	142¾	+⅛	4.02	4.22
130¼	124½	Do. 2½pc '09 (78.8)	130¾	+⅛	4.06	4.24
134¼	128½	Do. 2½pc '11 (74.6)	134¾	+⅛	[illegible]	4.25
110¾	105¼	Do. 2½pc '13 (89.2)	110¾	+⅛	4.08	[illegible]
118	113	Do. 2½pc '16 (81.6)	117¾	+⅛	4.09	[illegible]
113½	109½	Do. 2½pc '20 (83.0)	113¾xd	+⅛	4.06	[illegible]
95¼	91¼	Do. 2½pc '24‡‡ (97.7)	93¾	+⅛	4.06	[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months pr[illegible] to issue) an[illegible] been adjusted to [illegible] rebasing of RPI to [illegible] in January [illegible]. Conversion factor 3.945. RPI for February 1991: 130.9 and for September 1991: 134.6.

INT. BANK AND O'SEAS

1991 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]	95¾	African Dv Bk 11¼ Ln 2010	105¾	+⅛	10.53	10.41
[illegible]	91¾	Asian Dev Bk 10¼pc Ln 2009	100¾	+⅛	10.20	[illegible]
[illegible]	105	Int-Am Dev Bk 12½pc 2003	113¾	+⅛	10.98	[illegible]
97½	[illegible]	Do. 9½pc Ln 2015	[illegible]	+⅛	[illegible]	[illegible]
[illegible]	101	[illegible]	[illegible]	−⅛	13.36	[illegible]

CORPORATION LOANS

1991 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
104¼	[illegible]	[illegible]	103¾	+⅛	11.08	11.00
98½	[illegible]	[illegible]	[illegible]	.....	6.85	11.10
119½	110½	Leeds 13[illegible] 2006	[illegible]		11.51	11.00
31	28	Liverpool [illegible] Irred	30½	.....	11.48	–
27½	26	LCC 3pc '20 Aft	27¼	.....	11.01	–
109½	[illegible]	Manchester 11½pc 2007	108	.....	10.95	10.85

COMMONWEALTH & AFRICAN LOANS

1991 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
95	84¼	Sth Rhod. 87-92 Assd	95	.....	4.74	–

LOANS

Building Societies

1991 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
106	102	[illegible] Anglia 3⅞pc Ln 2021	105¾	+⅛	[illegible]	[illegible]
107¼	104	Do. 4.25pcIL '24	107¼	+⅛	[illegible]	[illegible]

Public Board and Ind.

1991 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
53	52	Met. Wtr. 3pc 'B'	53	.....	[illegible]	[illegible]

FOREIGN BONDS & RAILS

1991 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
50	50	Greek [illegible]	50	.....	3.50	f7.00
50	50	Do. [illegible] Ass.	50	.....	3	f6.00
50	50	Do [illegible] Ass.	50	.....	2	f4.00
[illegible]	55	Hung. '24 Ass.	55	.....	2.75	f3.57
133	120	Hydro Quebec 15pc 2011	131½	+⅛	15.0	11.02

Continued on next page

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AMERICANS

1991 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
33¼	20⅞	Abbott Laboratories	31¼	+¼	$1.00	–	1.9
385p	243½p	♦Allegheny & W 1c	244p	+1	30c	–	7.3
10⅛	667p	Amdahl 5c	816p	+17	10c	–	0.7
42¼	25¼	Amer Cyanamid $5	36⅞	+⅛	$1.50	–	2.4
17⅞	9⅞	Amer Express 60c	11	−⅛	$1.00	–	5.0
24½	15¼	American T. & T. $1	21	+⅛	$1.32	–	3.6
38⅞	32½	Ameritech $1	35⅝	+⅛	$3.40	–	5.6
26	12	BankAmerica $1	23½	+¼	$1.20	–	3.1
35⅝	20¼	Bankers N.Y. $1	35	+⅛	$1.52	–	8.1
30½	24¼	Bell Atlantic $1	25	+⅛	$2.52	–	5.8
31¼	25	BellSouth Corp	28	+⅛	$2.76	–	5.8
11¼	6	♦Bethlehem Steel $8	8½	+⅛	40c	–	2.7
1839p	1046p	Bowater Inc	1274p	+46	$1.20	–	5.6
54	37	CPC Intnl 25c	50	−1	$2.00	–	2.3
930p	420p	California Engy	866p	−15	–		–
50	28¼	Campbell Soup 15c	43¼	+⅛	$1.16	–	1.6
12¼	5	Chase Manhattan $12½	10⅝	+½	$1.20	–	6.8
9	5½	Chrysler $6¼	6½	+⅛	60c	–	5.5
10⅝	5⅞	Citicorp $1	7⅝	+⅛	$1.00	–	7.7
25	21	Colgate-Palmolive $1	25	+	$1.06	–	2.5
928p	438p	Cont'l Bank Corp $4	619p	+38	60c	–	5.7
21⅝	13	Dana Corp. $1	15	−	$1.60	–	5.9
1257p	203½p	Data General	1151p	+61	–		–
22⅛	12⅞	Dial Crop. $1.5	20	+	$1.40	–	4.0
29⅝	20¼	Dun & Bradstreet $1	27	+⅛	$2.16	–	4.7
40	24¼	Eaton Corpn. 50c	34½	+	$2.20	–	–
8½	5½	Echlin Inc	6⅝	−⅛	70c	–	6.2
20⅛	14	FPL Group 1c	19¼	…	$2.40	–	7.4
30	17	Fluor Corp 62½pc	24⅝	−	32c	–	0.8
23	13⅛	Ford Motor $1	17	+	$1.60	–	3.4
46	28	Gen. Elect. 63c	39⅝	+1	$2.04	–	3.1
566p	270p	♦General Host Corp $1	466p	+1	34c	–	4.3
45¼	20⅞	Gillette $1	22½	−⅛	62c	–	1.6
18⅛	794p	Hasbro Inc 50c	17	−⅛	24c	–	0.8
38½	21¼	Honeywell $1½	31	+	$1.50	–	2.8
23¼	17⅞	Houston Inds.	22¼	+⅛	$2.96	–	7.7
72	55	IBM Corpn $1¼	58	−1⅛	$4.84	–	4.9
32½	18	Ingersoll-Rand $2	27	…	$1.32	–	2.8
28⅛	16⅛	Lockheed Crpn $1	22½	−⅛	$2.00	–	5.3
2155p	1245p	Lowe's 50c	1697p	−91	56c	–	1.9
18⅞	9½	Manuf. Hanover $1	15¼	+⅛	♦$3.28	–	12.7
28¼	10	Merrill Lynch $1	27	…	$1.00	–	2.1
36⅞	21	Morgan (JP) $2½	36⅝	+1⅛	$1.98	–	3.2
44¼	25	Morris (Philip)	41	+½	$2.10	–	3.0
46¼	39	NYNEX $1	44	+½	$4.56	–	6.1
[illegible]	15p	♦Pac. Agricultural	23½p	+8½	–		–
23	11⅞	Pall Corp 25c	21½	+¼	44c	–	1.2
46	33¼	Pennzoil 83 1/3c	38½	+⅛	$3.00	–	4.6
40½	24⅞	Quaker Oats $5	33⅛	+¼	$1.72	–	3.0
[illegible]	24	Rep NY Corpn $5	38	−	$1.40	–	2.2
[illegible]	12⅛	Rockwell Intl. $1	15½	+¼	86c	–	3.5
[illegible]	12	Sears, Roebuck 75c	21	−⅛	$2.00	–	5.5
[illegible]	25⅛	Southwestern Bell $1	32	+⅛	$2.84	–	5.2
[illegible]	14	Sun Co Inc. $1	16¼	+	$1.80	–	6.5
[illegible]	20⅛	Tenneco $5	20⅛	−	$1.60	–	4.6
[illegible]	29	Texaco $6.25	37⅝	+⅛	$3.20	–	5.0
[illegible]	15	Texas Instr $1	17¼	+	72c	–	2.5
64½	37⅞	Time Warner $1	48	−	$1.00	–	1.2
16⅛	8⅞	TRINOVA Corp	12	+⅛	68c	–	3.2
555p	250p	♦Unilab	555p	+43	–		–
29⅛	22⅛	Utd. Technologies	24¼	−⅛	$1.80	–	4.3
92p	42p	♦Utilitech Inc	82p		–		–
23	16¼	US West	20⅝	+¼	$2.08	–	6.0
162p	87¾p	Varity Corp	110½p	+5	$1.30	–	–
24⅞	16⅛	Waste Management $1	20⅝	−⅛	44c	–	1.3
2307p	1053p	Whirlpool $1	2185p	−19	$1.10	–	3.0
[illegible]	[illegible]	[illegible] $3½	16¼	+⅛	$1.08	–	3.9

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS – Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES – Contd

[illegible]

ELECTRICALS

[illegible]

ELECTRICITY

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.) – Contd

[illegible]

INDUSTRIALS (Miscel.) – Contd

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

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LEISURE—Contd

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
9	2½	♦BCE Hldgs 5p	5	.....	–	–	–	–
178	123	Barr & W.A.T. 'A'	169	.....	9.75	1.7	7.7	10.4
840	425	Boosey & Hawkes	818	.....	†26.4	2.9	2.7	15.1
58	24	♦Border T.V.	57½	+1½	2.1	2.6	4.9	10.4
88	9½	Brent Walker 10p	23	−2½	5.0	–	29.0	–
28	2½	Do 6pc Cv Cm Rd Pf £1	8	−1¼	–	–	–	–
55	13	Buckingham Int'l. 10p	28	.....	g2.1	1.8	8	6.5
360	183	Campari Int. 20p	359	.....	†11.0	2.9	4.1	9
231	134	Capital Radio 2½p	227	.....	5.25	2.9	3.1	14
548	350	Carlton Comms 5p	517	+9	†14.1	2.4	3.6	14.5
85	61	Do. 6.5p Prf 5p	82	.....	6.5	–	10.6	–
253	168	♦Castle Comms. 5p	218	.....	8.5	1.7	5.2	14.6
1038	480	Central ITV	1028	.....	28.5	1.2	3.7	29.9
164	120	Chiltern Radio 10p	163	.....	14.8	2.6	3.9	12.5
89	39	Chrysalis	81	.....	s2.0	–	3	–
69	27	Cityvision 5p	35	−1	1.0	7.0	3.8	4.6
6	3	Classic TV (wts) h0.28	3	.....	–	–	–	–
306	225	Eurocamp 5p	291	−1	8.5	2.5	3.9	14.0
1410	908	Euro Disney Fr10	1400	+17	–	–	–	–
30	5	European Leis. Ir25p	9	+1	1.7	2.2	25.2	1.5
*44	21½	Ex Lands 10p	34½	−½	–	–	–	–
47	8	♦Expedier 20p	8	.....	1.0	2.7	16.7	2.2
593	405	Fairline Boats 10p	535	−5	21.0	4.1	5.3	6.2
282	188	First Leisure	269	+1	†5.05	2.6	2.5	18.6
260	195	♦GWR Group 20p	259	.....	t6.0	3.2	3	13.6
78	59	Grampian TVA 10p	77	+1	4.1	3.1	7.1	6.0
8	4	♦Greenwich Comm. 1p	4	.....	–	–	–	–
63	33	HTV Ord	52	+1	3.75	1.2	9.6	12.0
203	55	Hi-Tec Sports	196	+1	t5.0	2.7	3.4	12.7
4¼	1½	Int'l Media Comm. 1p	2¼	+¼	–	–	–	–
64	30	Intl. Resort Hldgs	47	−1	2.5	♦	7.5	♦
92	49	♦Invicta Sound 10p	87	−2	1.0	4.2	1.5	27.4
*47	23½	Kunick 10p	23½	−½	2.0	2.2	11.3	5.6
88	53	Do. 8¼pc Pf. 5p	66	−3	8.25	–	16.7	–
126	80	LWT (Hldgs) 9.975p Pf 5p	124	+9	t3.94	–	4.2	–
335	262	Manchester Utd 10p	294	.....	–	–	–	♦
353	159	Marina Dev. 50p	171	.....	5.0	0.5	3.9	–

MOTORS, AIRCRAFT TRADES

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Contd

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRANSPORT

INVESTMENT TRUSTS

INVESTMENT TRUSTS—Contd

Net asset values supplied by County NatWest Wood Mackenzie as a guide only.

FINANCE, LAND, ETC

FINANCE, LAND, ETC—Contd

WATER

OIL AND GAS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

MINES—Contd

Australians

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

IRISH

TRADITIONAL OPTIONS

3-month call rates

Industrials

Hawker Sidd.	55
ICI	95
Ladbroke	21
Legal & Gen.	33
Lex Service	16
Lloyds Bank	38
Lucas Inds.	12
Marks & Spencer	21
Midland Bk.	20
Nat West Bk.	26

Property

Oils

Premier	4
Shell	40
Tuskar Res.	1
Ultramar	28

Mines

Lonrho	29
RTZ	46

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FINANCIAL TIMES
Weekend October 12/October 13 1991

EC to consider limit on equal pensions

By Andrew Hill in Brussels and Norma Cohen in London

THE DUTCH presidency [redacted] the European Community is seeking to limit a European [redacted] judgment which could force private pension schemes to pay billions [redacted] pounds in additional benefits [redacted] retired [redacted] throughout Europe.

The issue is to be put informally to [redacted] social affairs ministers in Luxembourg on [redacted] day. The [redacted] want [redacted] the possibility [redacted] an amendment to [redacted] Treaty [redacted] Rome which would put [redacted] narrow interpretation on [redacted] so-called Barber decision of May 1990 which ruled that companies [redacted] to [redacted] equal pension [redacted] efits to men and [redacted].

The European Court [redacted] Jus[redacted] is now preparing [redacted] hear several cases in which it will have to [redacted] which pensioners are to [redacted] improved [redacted].

The courts could rule that those currently receiving [redacted] benefits are entitled to enhancements, [redacted] that [redacted] preparing to [redacted] soon are entitled [redacted] than companies [redacted] planned [redacted] give them. The [redacted] funds industry [redacted] strongly objected [redacted] this [redacted] interpretation, arguing it could bankrupt [redacted] nies [redacted] induce them [redacted] reduce greatly [redacted] they offer.

Under [redacted] narrower [redacted] of [redacted] ruling, equal treatment would be applied pension contributions only from the date of the judgment [redacted].

In the UK, the [redacted] of British Industry [redacted] estimated [redacted] broad interpretation of the Barber decision could [redacted] up to £50bn ($85bn).

Pressure for [redacted] narrow interpretation of Barber comes mostly from the UK and the Netherlands which between them [redacted] the bulk [redacted] private European pension funds. [redacted]ccording [redacted] the WM Company, a pension fund consultancy, about £450bn of Europe's £650bn in pension fund [redacted] are in the UK. A further £160bn [redacted] in the [redacted] lands.

Pension fund managers are worried that carefully calculated pension contributions – based on unequal pensionable ages for men and women – will be upset if the ruling [redacted] interpreted too loosely, with companies having [redacted] make [redacted] any shortfall themselves.

A European Court ruling can be altered or clarified only by further judgments or by tinkering with the EC treaty itself. The Dutch may suggest adding a clause on the pension fund ruling as part of the general treaty revision.

Most member states are said to be unhappy about the possibility that treaty amendments might be used to put favoura[redacted] interpretations on European court judgments. "If [redacted] ministers react anything like their officials did, the idea will get a fairly cool reception," one UK official said yesterday.

[redacted] Dutch official said the presidency had not yet decided how best to solve the outstanding problems of the Barber judgment. A treaty amendment [redacted] possibility, but [redacted] will [redacted] no formal [redacted] for [redacted] on Monday. Brussels legal experts believe that by the time member states [redacted] and ratify an amendment, further rulings may have thrown up new questions [redacted] whether [redacted] require[redacted] be [redacted]

Warm welcome: Conservatives give a rousing reception to John Major's first conference speech as premier

Major address stresses 'power to choose'

Continued [redacted] Page [redacted]

fireside [redacted].

The stage-management [redacted] his [redacted] was similiarly designed both to emphasise his command over the government of the [redacted] and his popularity [redacted] the [redacted].

The front section of the platform in Blackpool's Empress Ballroom [redacted] rebuilt just [redacted] his [redacted] to push [redacted] into the audience and place him, symbolically, in front [redacted] his [redacted] colleagues.

After Labour's successful annual conference in Brighton [redacted] the prospect now is for six months or more of bitter political campaigning ahead of the general election due in the [redacted] summer.

Mr Major recognised the threat posed [redacted] Labour charges that the government's [redacted] will lead to the privatisation of the NHS with a lengthy declaration of his per[redacted] commitment [redacted] free state health care.

Rejecting Labour "smears", he declared: "So no one can misunderstand the position – and I hope the whole country is listening – let me make it even clearer. There will be no charges for hospital treatment, no charges for visits to the doctor, no pri[redacted] of healthcare, neither piecemeal nor in part, nor [redacted]. Not today. Not tomorrow. Not after the election. Not ever while I'm prime [redacted]."

Mr Major offered no clues as to the timing of the general election, with [redacted] cabinet ministers stressing this week that the choice between spring and summer would be dictated by the pace of economic recovery. He declared that British inflation had now fallen to German levels for the first time in [redacted] generation, adding that "we can now see the way out of [redacted]".

Referring to the spread [redacted] shares, pensions and homes during the 1980s, Mr Major said that the "revolution" [redacted] by his predecessor was not complete.

He declared: "In the next parliament I believe we must go much further in encouraging every family to save and own. To extend every family's ability to pass on something to their children, to build up something of their own – for their own."

UK inflation lowest for over three years

By Rachel Johnson in London

BRITAIN'S inflation [redacted] fell [redacted] 4.1 per cent [redacted] month, its low[redacted] April [redacted].

The fall, from 4.7 per [redacted] in August, brings [redacted] inflation [redacted] into line with Germany's, "for the [redacted] in [redacted] generation", the government said yesterday. The drop [redacted] the petrol price [redacted] September 1990 falling [redacted].

[redacted] fell [redacted] European Community average for inflation – [redacted] per [redacted] in August – [redacted] the [redacted] time [redacted] years.

[redacted] ending [redacted] the arrival [redacted] autumn [redacted] in [redacted] shops pushed up the [redacted] by 0.4 per [redacted] month. However, this was [redacted] by [redacted] September fall in [redacted] prices since 1962, and [redacted] impact [redacted] lower mortgage rates.

[redacted] month, the British gov[redacted] claim that the [redacted] inflation performance now matches Germany's – made by Mr John Major, the prime minister at the Conservative party conference – is set to be borne out. The October inflation rate is widely expected to fall to 3.5 per cent, undercutting the rate in western Germany, which was running at 3.9 per cent in September.

But the City of London had been hoping for a fall to a level [redacted] per cent, and there was also concern that the Treasury's preferred index of underlying inflation, which excludes mortgage interest payments, was not falling as fast as it should given the depth of the recession.

This index rose at an annual 5.7 per cent in September, after 6.2 per cent in August.

Chase Manhattan, the US bank, which produces an index which excludes food, oil prices and mortgage payments from the RPI, said yesterday that underlying inflation "went up" in September.

Having risen to an [redacted] 6.5 per cent in September, from 6.4 per cent in August, the UK's core rate "remained significantly higher than all G7 [Group of Seven] countries except Italy", it said.

Mr Norman Lamont, the UK chancellor of the exchequer, yesterday predicted that inflation would fall further and said that the government was determined to keep it down.

In a statement issued in Bangkok, where he arrived yesterday for a meeting of the G7 finance ministers, he said inflation was lower than for more than three years.

The Central Statistical Office ascribed the sharp monthly fall in the annual rate largely to a 5.5 per cent drop in seasonal food prices last month.

But an 8.8 per cent fall in housing costs to the lowest annual decline since records began in 1947 also helped keep inflation down.

Mr John Smith, the shadow chancellor, said that the economy had been flattened in the process of defeating inflation.

"The high price for the reduction in inflation has been rising unemployment and falling investment," he said.

Mr Alan Beith, the Liberal Democrat Treasury spokesman, welcomed the fall in headline RPI.

Two large British TV groups may lose licences

By Raymond Snoddy in London

THE CHANCES have [redacted] that [redacted] of the UK's [redacted] commercial [redacted] companies may lose their franchises.

The outlook worsened for Thames Television, holder of the weekday franchise for the London area, and TV-am, the national breakfast television company, as the Independent Television Commission confirmed that it would announce its decisions on new 10-year licences on Wednesday.

[redacted] applicants [redacted] 16 commercial broadcasting licences will be informed by [redacted] just before 10am, when the winners and losers will [redacted] simultaneously announced [redacted] an ITC press conference and released [redacted] London [redacted] exchange.

The fact that the results are being announced on Wednesday strongly suggests that the ITC, the regulatory body for commercial television, has decided not to invoke "exceptional circumstances", a clause giving it discretion to set aside the highest bid.

The ITC has always said it would interview those involved if it intended to set aside the highest bid, a procedure that would have delayed the announcement. No invitations for hearings, it is believed, have been issued.

Thames has been outbid by both Carlton Communications, the broadcasting and media [redacted] company, and CPT-TV, the David Frost-Richard Branson consortium.

Carlton, headed by Mr Michael Green, looks like winning unless it has failed the quality threshold that all applicants must cross before their financial bids are considered. It is thought unlikely that Carlton has failed to meet the quality requirements.

TV-am has been outbid by two consortia, Sunrise and Daybreak. It is extremely unlikely that both have failed the quality test. Sunrise, which groups London Weekend Television, Scottish Television, The Guardian newspaper and Disney, should win.

There was growing speculation last night that TVS Entertainment, which broadcasts to the south and south-east of England, could be in jeopardy because it bid too much to guarantee a sustained service. Two leading companies which have been outbid, Granada, in north-west England, and LWT, the London weekend channel, are expected to survive.

Fine-tuner who will change channels, Page 8

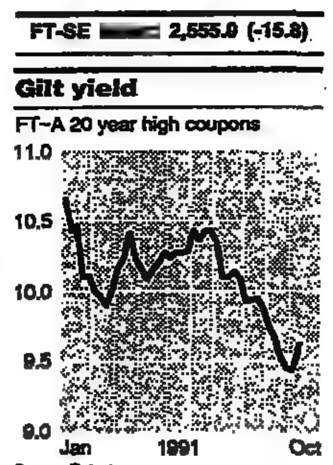
THE LEX COLUMN

Time to buck the cycle

Last month's 4.1 per cent rise in headline inflation brings the UK within reach of convergence with its EC partners. Traditionally, two things happen at this point in the cycle. Economists start talking about a structural change in the UK [redacted] and [redacted] final [redacted] quest of inflation, while the shrewder fund managers start unloading gilts and stocking up on equities ahead of the next burst of overheating. The last time UK inflation was this low was in the spring of 1988. Within a year it had doubled. This time, we are told, it really is different. The traditional *depreciation of sterling*, due at this point in the cycle, is not on offer either. In other words, now [redacted] hard part.

Quite what [redacted] market [redacted] economic reali[redacted] obscured [redacted] current obsession with party conferences and opinion polls. A month ago the betting would have been on a further cut in interest rates to coincide with Mr Major's conference speech [redacted] figure. [redacted] this is ruled out by the weakness of sterling, which results chiefly from the same political obsession. In any case, sterling *short rates are only one per*centage point over D-Mark rates. The history of other currencies within the ERM suggests that even given inflation convergence, reducing the premium further can be difficult.

One result of all this is the retreat of equities to the bottom of their recent trading range, with the result that the British Aerospace and Hillsdown rights issues, worth £713m between them, are below the offer price. But the institutions might take heart in one respect: if the market carries on down, it will at least put £350m back into their pockets through the cash bid for Invergordon.



Hammerson

It is staggering how much corporate wealth the world's financiers can watch disappearing from their office win[redacted]. Property values in the City of [redacted] are [redacted] tumble [redacted] 15 per cent this year, Tokyo prices are rapidly coming off the top and, as Hammerson reminded investors yesterday, New York over the last six months has turned into the bloodiest market of the lot. At least the £90m which it will provide in the 1991 accounts should clear the decks. What a two-thirds write-down means for say Olympia and York – a company with a far bigger chunk of Manhattan than Hammerson – can only be guessed at.

It is hard to see what prompted yesterday's 8p rise in the shares, though they had been weak in anticipation of bad news for much of the week. Hammerson is now markedly gloomier about the UK than it was in the spring, and sees election uncertainty denting confidence and prolonging the recession till the end of next year. The funda*mental attractions – a well-let* portfolio, the scope for rental growth and exposure to dollar-based currencies – are the same as always, though the sterling hedge could be particularly helpful were the UK government to change.

Gearing by the year end will rise from its present 60 per cent or so, but Hammerson has more headroom than most to rebalance its portfolio when the cycle turns. For the moment a 23 per cent discount to this year's estimated net assets seems about right for the shares.

[redacted]

With inflation now poised to fall below that of [redacted], the [redacted] ought to be in [redacted] mood. In reality other factors – election worries, next year's funding requirement and a lingering suspicion that inflation may not have been licked for good – have begun to spoil the party. The yield on 10-year paper rose 12 basis points over the past week, having been even higher as sterling weakened early on.

The funding worry, at least, is real enough. Even assuming a Tory victory, the gross gilt funding requirement now looks like coming out at £22bn-£24bn in 1992/3, almost twice this year's figure. That is not large in real terms compared with the worst excesses of the 1970s, but it is big enough relative to current institutional cash flow. It suggests the authorities will remain heavily dependent on foreign investment demand.

The polls' impact on overseas sentiment is only one reason why the gilt-edged market is so sensitive to them. Labour's borrowing requirement would rise even without higher spending, since privatisation proceeds would disappear once outstanding payments had been collected. The likely funding level under the Tories would still necessitate yields high enough to attract foreign investors. The gilt market may have been trying to shed its traditional inflation premium as it rallied over the summer. With real yields still above 5 per cent, it looks like being stuck with a supply premium instead.

Liberty Life

The international rehabilitation of South Africa has a champion in the form of Mr Donald Gordon, chairman of Liberty Life. Fresh from forming a joint venture with a French insurer to take control of Sun Life, Mr Gordon has *launched the first international* offer of shares in a South African corporation for more than [redacted] decade. The £82m deal is already underwritten, but the cash is less important than what [redacted] successful placing might symbolise.

Fund managers dusting off their investment manuals will find that Liberty Life is about as solid as they come on the Johannesburg exchange. It is the largest quoted financial company, with a market capitalisation of £1.5bn, and owns stakes in key South African industries as well as large chunks of real estate. Its growth record over thirty years, based on skilled marketing of unit-linked life assurance policies in the 1960s, is unmatched on the Cape and fine by any standards.

The real question is whether South Africa is as safe an investment haven as the pace of Liberty Life's moves implies. Recent failures to float country funds suggest the investment community is unconvinced. Liberty Life is keen to diversify, citing opportunities in European real estate and financial services. It has cash resources large enough to justify rumours that it might have a foreign bid or two in mind via its subsidiary, Transatlantic Holdings. Obvious targets include the UK mutuals, many of which could not resist a helping hand.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)			
Rises			
Asko	838	+	12
Beiersdorf	785	+	15
Gerresheimer	450	+	9
Linotype-Hell	404	+	10
Schering	773	+	5
Falls			
Wella Prf	635	–	5
New York ($)			
Rises			
Allied Signal	39⅝	+	1
Immunex	41½	+	1¾
Merrill Lynch	46⅝	+	1⅜
Falls			
Ford	30	–	¼
General Motors	37¾	–	½
Torotel	2⅛	–	⅝
New York prices at 12.30pm			
Paris (FFrs)			
Rises			
Gaumont	765	+	[redacted]
UFB Locabail	369	+	11
+			
Falls			
Accor	725	–	9
Axa	914	–	22
Eurocom	[redacted]	–	[redacted]
UAP	491	–	8.9
Tokyo (Yen)			
Rises			
Chugokukogyo	[redacted]	+	[redacted]
Daito Wool	1240	+	[redacted]
Nitchitsu	1180	+	[redacted]
Okaya Elec	553	+	48
SS Pharm	1180	+	100
Falls			
Okuma	1020	–	80
New York prices at 12.30.			
London (Pence)			
Rises			
Anglia TV	221	+	21
Druck Hldgs	708	+	23
Harding	23	+	4
Hartstone	283	+	12
Maunders (J)	[redacted]	+	8
Porvair	[redacted]	+	12
Torday Carlisle	[redacted]	+	[redacted]
Ultramar	270	+	12
Falls			
Birse	136	–	17
Bredero Props	54	–	[redacted]
British Gas	258½	–	16½
Cable & Wire	545	–	[redacted]
Costain	[redacted]	–	11
Elliott (B)	[redacted]	–	5
Eurotunnel Uts	458	–	12
P & P	102	–	10
RHM	256	–	12
Rank Org	639	–	16
Slingsby (HC)	[redacted]	–	7

Judge seeks to clear his name

Continued from Page 1

Okmulgee County – mirroring Mr Thomas's own tale of growing up as a poor black child in segregated Pinpoint, Georgia.

The two witnesses agreed on only one thing yesterday: that the extraordinarily public hearing was the *most difficult* expe[redacted] of their li[redacted]

Indeed, in an emotional statement, Mr Thomas appeared at times to be on the brink of withdrawing his candidacy for the Supreme Court, where he would strengthen a conservative majority which is expected in the coming years to overturn many of the liberal rulings established in the 1960s and 1970s.

"No job is worth what I have been through," he told the judiciary committee. "I never asked to be nominated, it was an honour. Little did I know the *price*. It is *too* high," he added.

Mr Bush, however, praised Mr Thomas's statement and reaffirmed his strong support. "This decent and honourable *man has been smeared*," he said. "The damage is grave, but his innate decency and honour are such that even these charges will not do irreparable damage to him."

Bitterly attacking the Senate confirmation process, Judge Thomas said he had testified for [redacted] full days, produced 30,000 pages of documents [redacted] the committee, and suffered charges of anti-semitism, drug abuse and wife beatings, as well as reporters sneaking into his garage to see what [redacted] he had [redacted] reading and swarming over his divorce papers.

"This is not America, this is Kafkaesque. It has got to stop. It has got to stop for the benefit of future nominees and of our country," he said.

In the process, attention has [redacted] entirely diverted away from the 43-year-old Mr Thomas's limited legal experience and qualifications to sit on the Supreme Court. Even his conservative supporters have stopped contending that he is the best qualified candidate available, and that his race played no part in Mr Bush's choice.

That, however, had become irrelevant to his battle for confirmation.

WORLDWIDE WEATHER

		°C	°F
Ajaccio	C	26	79
Algiers	F	25	77
Amsterdam	[redacted]	19	66
Athens	[redacted]	24	75
Bahrain	S	32	90
[redacted]	[redacted]	31	[redacted]
[redacted]	F	21	70
[redacted]	S	25	77
Belfast	F	15	59
Belgrade	S	22	72
Berlin	S	18	64
Biarritz	F	20	68
Bombay	F	30	86
Bordeaux	F	17	63
[redacted]	S	20	68
[redacted]	S	20	68
[redacted]	C	16	61
Buenos Aires	F	24	75
Cairo	S	30	86
Cape Town	F	[redacted]	64
Caracas	C	28	82
Casablanca	F	21	70
Chicago	F	10	50
Cologne	S	20	68
Copenhagen	S	16	61
Corfu	S	25	77
[redacted]		–	–
Dublin	[redacted]	14	57
Dubrovnik		–	–
Edinburgh	Fg	11	52
Faro	T	17	63
Florence	F	21	70
Frankfurt	S	18	64
[redacted]	S	15	59
[redacted]	R	17	63
Glasgow	[redacted]	13	55
Helsinki	C	8	46
Hong Kong	F	27	81
Innsbruck	S	19	66
Inverness	F	10	50
Islamabad	F	28	82
Istanbul	F	21	70
Jakarta	F	32	90
Jersey	S	18	64
Johannesburg	F	23	73
Lima	C	21	70
Lisbon	[redacted]	17	63
London	[redacted]	19	66
Los Angeles	S	21	70
Luxembourg	S	18	64
Madeira	F	21	70
Madrid	[redacted]	14	57
Majorca	[redacted]	22	72
Malaga	F	18	64
Malta	F	26	79
Manchester	[redacted]	19	66
Manila	F	33	91
Melbourne	C	15	59
Mexico City	R	20	68
Miami	F	24	75
Milan	C	16	61
Montreal	[redacted]	4	39
Moscow	[redacted]	14	57
Munich	S	14	57
Nairobi	C	28	82
Naples	S	27	81
Nassau	C	30	86
New Delhi	[redacted]	32	90
New York	S	13	55
Nice	F	21	70
Nicosia	S	26	79
Oporto	F	16	61
Oslo	C	8	46
Paris	R	17	63
Peking	S	23	73
Prague	C	14	57
Reykjavik	F	6	43
Rhodes	S	23	73
Rio de Janeiro	C	31	88
Rome	[redacted]	25	77
Salzburg	S	17	63
San Francisco	F	16	61
Seoul	S	25	77
Singapore	F	28	82
[redacted]	Fg	8	46
Strasbourg	S	16	61
Sydney	S	[redacted]	66
Taipei	F	30	86
Tangier	C	16	61
Tel Aviv	S	27	81
Tenerife	C	24	75
Tokyo	R	17	63
Toronto	F	5	41
[redacted]	C	27	81
[redacted]	F	21	70
Venice	F	18	64
Vienna	C	13	55
Warsaw	S	19	66
Washington	C	14	57
Zurich	C	12	54

Temperatures at midday yesterday [redacted] Dr–Drizzle F–Fair Fg–Fog H–Hail [redacted] S–Sunny [redacted] T–[redacted]

Weekend FT

SECTION II

Weekend October 12/October 13 1991

The fantasy world of Marbella's Mr Big

Peter Bruce meets Jesús Gil y Gil, who bulldozed the house of a political rival and dreams of toppling Spain's government

THE MAYOR of Marbella is in his tiny office at home, all 120 kilogrammes (19 stone) of him squeezed in behind a desk. He refuses to work at the town hall. "I am more comfortable here," he grunts. He is talking into a telephone loudspeaker and passing notes to his secretary. Every third or fourth note is fed into a shredder. His shirt is open, revealing a large golden pendant.

Four months ago Marbella, once one of the pearls of the Mediterranean, elected Jesús Gil y Gil mayor by a huge majority. Now we are watching what Gil hopes are the beginnings of a political phenomenon in Spain.

Gil is nationally known as the impetuous president of the Atletico Madrid soccer team. Last year he was banned for two years from travelling to European matches with the club after calling a French referee a homosexual. He owns most of Atletico's star players. Now, on a whim, he says he plans to launch a national political party.

Gil is a fat man who cultivates obscenities as part of his political repertoire. But no one is laughing, least of all Prime Minister Felipe Gonzalez, *whose socialist* [illegible] half the seats in the Cortes. [illegible] even a handful of seats Gil could cause the government severe discomfort. And Gil has had a political idea.

He says it should be possible [illegible] streets to be clean, for people not to be mugged at night or have their homes broken into. He says young people should be able to have fun without [illegible]g drugs. He [illegible] laws, [illegible] should be applied. Gil says Marbella and Spain are being run into the ground by socialist *ineptitude* [illegible] *corruption, particu*[illegible] in [illegible] government.

Mussolini promised to make Italy's trains run on time, and Gil's many detractors in the press and the political establishment have lost no time in labelling him a fascist. Gil preaches non-corruption, although his own style and his criminal record may reduce the credibility of [illegible] message. His insults [illegible] libel writs from Spain's great and good; [illegible] memory he cannot flick away with a curse is of the 58 people who died in 1969 when the roof of a restaurant he was building near Madrid collapsed on a party of 300. Gil was sent to prison for five years for being responsible for the structural "economies" that caused the collapse. He served 18 months before paying a Ptas 400m fine and being pardoned by General Franco.

He is 58, still in the property business and says openly that he ran for mayor to look after his property interests. "I haven't been able to sell anything here for two years," he says. "No one is investing."

Gil and Marbella were [illegible] meet. He found it 12 years ago when he visited a local clinic to lose weight. The course did not do him much good. "Let's face it," he says, "I'm very fat."

His property interests in the town are substantial. In common with developers all along the once profitable Costa del Sol, he finds the market is depressed. Worse, Marbella has lost its reputation as an exclusive retreat for the rich and has [illegible] just another loud and expensive [illegible] managed [illegible] deter high rise hotels and package tourists but the exotic foreign aristocrats who made the Marbella legend in the 1960s have gone.

"Even Kevin Keegan has gone," complains Gil. "All we have left are Sean Connery and the Arabs."

Just down the road from Gil's office lies the paradise which drew those foreigners to Marbella. Prince Alfonso von Hohenlöhe, the Bohemian aristocrat who built one of the first new homes near the little village of Marbella in 1947 and later converted his land into the Marbella Club, still runs it. Tastefully faded, the Club remains the only touch of class in Marbella. But even it has not escaped the commercial ravages of modern Spain.

At the patio bar, a well groomed blonde is handing out invitations to an event sponsored by a television channel. The party will be covered by Spanish magazines, [illegible] woman handing out the invitations will also be the star. She is Gunilla von Bismark, the last [illegible] the [illegible] marks, Metternichs, Rothschilds, Von [illegible] Thyssens who passed the summers or winters in [illegible] airy [illegible] on [illegible] beach, emerging for [illegible] parties by the club's pool at night.

Connery has stayed for the golf – 17 courses within an hour's drive – but is engaged in the development of a golf course in the south of France, another bad omen for Marbella.

Mayor Gil senses all this and it enrages him. He blames the socialists for driving the class out of the Costa del Sol. And the more the establishment – the press, [illegible] socialist government in the [illegible] capital, Seville – strikes out at him, the angrier he gets.

If he is able to popularise that anger nationally, lure back [illegible] spenders to Marbella and create [illegible] there, [illegible] might see him [illegible] serious, though slightly distasteful, alternative to both the socialists and their traditional right-wing opponents. In Marbella, the local money is impressed. "I am one hundred per cent more optimistic about Marbella now that he is mayor," says Prince Alfonso.

Just [illegible] town, Rudi Von Schönberg, a former manager of the Marbella Club, [illegible] busy converting Adnan Kashoggi's former home and estate into an exclusive housing development. "Socialist administration here has been chaotic," he says, remembering that one of the Bismarks took 12 years to get permission to build an [illegible] to his hotel. "Gil is the man called on by the people of Marbella in their tremendous despair and frustration."

Gil knows that [illegible] future [illegible] on the remaining elite reselling it to their friends, so he will try not to alienate them. And they know he is probably their best hope for many years of at least realising the value of their assets in the town.

However, the local worthies have welcomed him in the way refined circles always greet the coming to power [illegible] despots: nervously. They have been appalled by his poor taste and an informal "kitsch watch" has been mounted to see he does nothing too outrageous.

His first idea was to write the name of the town in huge golden letters on the mountain behind it. Prince Alfonso says he managed to talk him into lighting the mountain up instead. But he is still set on building golden arches at each entrance to the town, with coming [illegible] announced on each column leg.

Gil wants to brings a bullet train down from Malaga; he [illegible] to build [illegible] centre; a race track; [illegible] monorail; a communications [illegible] a "love hotel" where prostitutes can ply their trade without cluttering up the streets. This style does not please everyone. "The man [illegible] pig," [illegible] an American who has lived in the town for 20 years. "The people were conned into voting for him."

Gil [illegible] cleaned and [illegible] police patrols in once-forgotten parts of town. Prostitutes have been run off the streets close to his offices.

Not long [illegible] he swept down the main street, followed by a cheering crowd, to a crumbling [illegible] by [illegible] Mayor whom he had deposed, Francisco Parra. The [illegible] jutted on to [illegible] town's main pavement [illegible] had long [illegible]n considered dangerous and illegal. It was past midnight. In the house were [illegible] *former wife* [illegible] *family.* They [illegible] ordered out [illegible] the house was then ripped apart by municipal excavators. One election promise was fulfilled.

On a Saturday evening in August, Gil left a charity ball with some bodyguards and wandered to the local Marina where a crowd of youngsters gathers around a string of dockside pubs. Gil's comical figure was welcomed, until he began swearing at the youths. He claimed the bars were open after their licensed hours. "What a drink-sodden *face you've got there sonny,"* he shouted to one man. "How much have you spent on drugs toda[illegible] You're all rubbish and I'm going [illegible] close [illegible] Drunkards! Slugs!"

Several people were injured in the scuffling that followed and a police car was burnt out. The Spanish press, joyous that Gil had revealed his character, represented this escapade as a threat to freedom.

"This is the politics of terror designed to support the dictatorial designs of a man lacking in even the most basic decency," cried *El* [illegible] Madrid. "Suddenly 1936 [the [illegible] Franco began his campaign to topple Spain's Republican authority] has fallen, in all its dread weight, on Marbella which Gil, in his own words, wants to convert into an island, into an independent canton, with a policeman on every corner."

[illegible] Gil is on a roll and he does not care. Behind the Club [illegible] – his home – on the high street he has built a private "town hall", a lavishly appointed two storey block with offices for his ministers and a very big one for himself.

"It is my Ministry of Projects," he tells visitors. It will also become his political headquarters, from which he hopes to launch his assault on Madrid. The trick will be to attack the socialists where they think they are strongest – as managers of the country – and throw in a few [illegible] insults, gold chains and whatever else passes for Gil colour.

Gil's strength is that he keeps is [illegible] simple and [illegible] language low. "Look," he says gently, opening up his arms. "I'm a university graduate. I can speak properly but I lower my language to connect with *the people. The people love me. You* should see them in Barcelona." Indeed, his new weekly TV show, bristling with insults and pretty scantily-clad girls, has been sensationally successful.

"The [illegible] in Madrid have treated Marbella as if it were the last vestige of Francoism in Spain," says Gil. "I'm the only one who calls them sons of bitches," he says "And they are scared of me." He says Marbella's socialist mayors of the previous 12 years let the town grow dirty and dangerous and drove *the foreigners* [illegible] All I *am* [illegible] is implementing laws already passed by the socialists," he says.

That would be a novelty in Spain. In the villages and cities, [illegible] noise and pollution, corruption, crime and illegal construction have become a daily and grinding burden, [illegible] simple [illegible] sufficiently alluring [illegible] frightened even the mighty *El Pais* newspaper.

"The growing concern [illegible] events surrounding [illegible] Gil [illegible] Gil is not just to do with his personality but because of the interest he is awakening in a growing part [illegible] Spanish public opinion," the [illegible] paper warned in an a recent editorial. "Little by little his rhetoric has moved from the jocular . . . to the point where he is adopting the postures and phraseology of a thinker: it is to be feared he believes himself to be a thinker and that some people with reason to protest will [illegible] it too . . ."

The political establishment [illegible] afraid that Spain's young democracy has created parties so powerful that individual politicians are rendered *faceless and voiceless. Proportional* representation means MPs have little individual responsibility [illegible] voters. [illegible] people sense this: and if presented with a loud, visible, accessible and straightforward person, might be tempted.

Fortunately for the socialists, Gil still has obstacles to overcome. He [illegible] to hold Marbella's loyalty and help the town recover its glory. That may be easier said than done. The mayor's harbourside brawling, his swearing, his very appearance have prompted some people who voted for him to think again.

Von Schönberg is trying to be resolute, however. "It's no use screaming now," he says. "They voted for him because of the way he talks and because of the way he looks."

Gil has told voters to get rid of him in the next election if he has not met his dozens of election promises. "I used to vote socialist but they tricked me," one Marbella waiter said. "At least if Gil tricks me I won't be taken by surprise."

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The stylemaker who turned Nicholas Woodsworth from a [illegible] into a £1,200 man ....Page XV

The Long View/**Barry Riley**

John Major's big mistake

LAST WEEKEND's press was full [illegible] bratory [illegible] marking the first anniversary of the UK's acceptance [illegible] exchange [illegible] con[illegible] of [illegible] European Monetary System. It had all gone amazingly well.

Sad to say, the papers have had a rather different story to tell over the past few days, about sterling struggling, and displacing the French franc at the bottom of the EMS charts; the pound was being propped up by the Bank of England at one stage. Hopes of further early falls in interest rates seemed to be strangely absent from the Conservative leaders' speeches in Blackpool. Evidently *a week can be a long time in the* foreign exchange markets as well as in politics.

Although there was some cheer in yesterday's further decline in inflation to 4.1 per cent, it looks as though the long winter of political uncertainty has begun in earnest. In fact the government has done a great deal that is right in the past year. The problem has always been that winning elections requires good timing as well as sound judgment.

Regularly over the past few years I have criticised the government's economic strategy, rounding on first Nigel Lawson with his "blips" and his blinkers, and then John Major for the inflationary complacency [illegible] his [illegible] six months as Chancellor.

Although the government realised by the late summer of 1988 that something was going seriously wrong with the economy it took two more years before the problems were faced fully – two years in which broad money grew by another 35 per cent, the visible trade deficit was £45bn and British industry's bank borrowings expanded by £56bn.

Little more than a year ago *John* Major was still saying that there was no inevitability of recession. In the end, in the face of double digit inflation, he hitched sterling to the Deutschemark and the grim process was begun of unravelling the financial tangle in which the country had become trapped.

In some respects it has gone better than might [illegible] been expected, [illegible] example in the success in bringing interest rates down while holding sterling steady, and in [illegible] *slight* [illegible] in exports. But [illegible] was [illegible] likely [illegible] be enough time for proper economic recovery [illegible] general [illegible]tion, even if that were delayed right to the last moment – and that has never been a formula for winning [illegible] during the [illegible] years (true, [illegible] narrowly won in 1950, but was swept away in 1951). Major's failure to administer a decisive new shock [illegible] the economy when he [illegible] Chancellor in the autumn of 1989 may come to [illegible] seen in retrospect as his big mistake. At the time I urged him [illegible] raise income tax, *puncture* [illegible]*cessive domestic demand,* and heap [illegible] blame on Nigel Lawson. If he had, things might have looked better now.

As it is, two years down the road there are promises and promises about economic recovery, but control over public spending and borrowing is slipping, and the muddle over the Health Service typifies the lack of strategy.

Crucial planks of Toryism have turned rotten. There is a deafening silence, [illegible] instance, over house prices: *buoyant (or at any rate, firm) values in* Acacia Avenue have always been thought to be an important element in Conservative victories, but now both the Halifax and the Nationwide tell us that prices nationally have dropped about 3 per cent over the past year (and anybody who has been trying actually to sell a house will say the decline is much worse than that). There may be something over 80,000 repossessions by lenders this year. Grassroots Tories may have assumed, as they cheered Margaret Thatcher at Blackpool this *week, that she would never have let the* property-owning democracy be threatened [illegible] this way; but then, she does not now have to help clear up the mess she was largely responsible for.

Privatisation, too, is running out of steam. The plan for share shops to handle [illegible] appears to have boiled down into a scheme to help new issue stags take a quick profit on shares they are being offered at a discount. Surely there are better ways than this of promoting popular capitalism?

Relatively low inflation is one of the few [illegible] that John Major will be able to deliver to the electorate next year. But, for all the political rhetoric, it has never been clear that British voters have worried all that much [illegible] inflation. Home owners, [illegible] all, have thought their main store of value was inflation-proofed anyway.

Sterling's jitters could be protracted. There was a surprisingly easy ride for [illegible] first [illegible] against the other EMS currencies, and those [illegible] thought that DM2.95 was [illegible] ambitious a central [illegible] have been silenced. But although the balance of payments has improved it remains in significant deficit despite the depth of the recession; at this stage of the cycle the UK ought to be in strong surplus, as it was in 1981. Any healthy economic recovery next year would probably generate a serious deficit quite soon, and run the risk of a crisis of confidence in sterling.

You can put that another way around, and say that the UK may not be able to afford the recovery in the first place. It seems to have joined a deflationary club in the EMS, dominated as it is by the Germans with their special problems, and at the very least short-term interest rates in the UK are going to have to stay higher than they ought to be in terms of domestic conditions. Quite possibly, they will have to go up again, which was always going to be one of the big risks in delaying the election through another winter of potential discontent.

In these circumstances investors cannot see a great deal further than the *next opinion poll. John Major playing a* lingering Jim Callaghan is not likely to be a popular act, let alone a winning one. There is still time for something to turn up, but travelling hopefully is no way to arrive as a hero of the party faithful, still less of the stock market.

London Market

Footsie sounds a sombre chord

IN THE MARKETS, it was a week that came with its own ready-made theme music: low, throbbing, ominous. The stock market retreated in [illegible] orderly fashion, but the sombre chords in the background suggested that [illegible] some point this might turn [illegible] a rout.

As in a screenplay written by Harold Pinter, the menace [illegible] all too palpable: [illegible] currency that dropped [illegible] the [illegible] tom of the ERM pecking order [illegible] first time [illegible] eight months; [illegible] governing party so lacking in [illegible] that [illegible] conference strategy boiled down to surviving [illegible] week; [illegible] billion pounds worth of collapsing rights issues; and an unexpected threat [illegible] the prospects for [illegible] UK's fifth-largest stock, British Gas.

Under [illegible] circumstances, the [illegible] the FT-SE index [illegible] on [illegible] 2555.0, only [illegible] down on the week, might be regarded [illegible] triumph for the stiff-upper-lip school of [illegible].

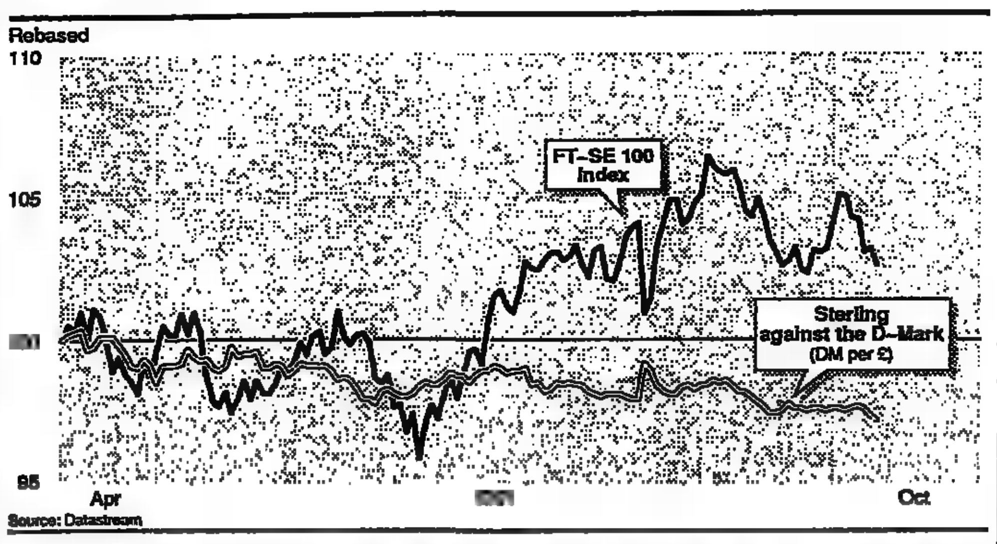
Whether phlegm is in [illegible] abundant supply in [illegible] to come remains to [illegible] none [illegible] week's unpleasant developments [illegible] likely to [illegible].

Sterling's weakness [illegible] partly a by-product [illegible] polit-[illegible] uncertainties, partly [illegible] result [illegible] pound's peculiar relationship with [illegible] of the Exchange Rate Mechanism. Nominally, [illegible] pound [illegible] trading within [illegible] on either side of its central rate [illegible] DM 2.95. In practice, the Bank of England seems [illegible] keeping it within the 2¼ [illegible] bands used by almost all the other ERM currencies. It [illegible] never spelt out this policy, however, leaving [illegible] worry: just [illegible] firm is the commitment [illegible] the [illegible] bands?

If sterling came under heavy selling pressure, would the Bank [illegible] its target [illegible] – DM 2.90 [illegible] an intermediate step, and DM [illegible] as [illegible] bottom of [illegible] per cent band – to the death? Or would it allow [illegible] pound to drop [illegible] way [illegible] DM 2.76, the bottom of the [illegible] per [illegible] range? Even if the Bank [illegible] fight hard for DM [illegible] would Downing [illegible] be prepared to raise interest [illegible] to do so?

So far, the authorities (that convenient catchall term [illegible] covers both [illegible] monetary [illegible] nicians in Threadneedle [illegible] their political [illegible] two [illegible] further west) [illegible] not had to face this dilemma. But its potential [illegible], and the uncertainty [illegible] it would [illegible] of [illegible] general election, [illegible] the [illegible] market [illegible].

Sterling's [illegible] remaining hopes of [illegible] speedy cut [illegible] rates, despite Friday's announcement that inflation in September fell [illegible] 4.1 per cent. Over the next week, with [illegible] gathered in Bangkok for [illegible] World [illegible] and IMF meetings, there [illegible] likely [illegible] interest rate gossip, centring in part on the likelihood of further US easing, in part on the chances of a rise in German rates. The [illegible] would help protect UK equities [illegible] contagion from concerns about an overvalued Wall Street; but the second would not help sterling.



With [illegible] more certain political background, none of this would be a serious worry. But the Conservative party conference created an impression of a government lacking the confidence so evident at the Labour party gathering the week before. Even its staunchest supporters in business can be heard to complain that the government does not take industry seriously. Those inclined to that view might have thought their fears confirmed at the Conservative party conference.

[illegible] Thursday, when Peter Lilley, the industry secretary, announced an end to British [illegible] monopoly [illegible] supply [illegible] the conference cheered. Yet [illegible] terms on which British [illegible] was floated, in November [illegible] by a Conservative government; and [illegible] company's 17m shareholders presumably include a disproportionate number of Conservative voters.

[illegible] dropped [illegible] per [illegible] day, and another 6 per cent on Friday. They closed [illegible] 288½p, down [illegible] on the week, and only [illegible] per [illegible] their [illegible] high.

At least one [illegible] broker, BZW, [illegible] strongly bullish on [illegible] – though yesterday it would not [illegible] why. [illegible] bulls argue that one of [illegible] government's planned changes – [illegible] hiving [illegible] of British [illegible] 260,000 miles of pipelines into a separate [illegible] – gives shareholders the chance [illegible] hidden value, as in [illegible] demerger of Vodafone.

To bears [illegible] stock, [illegible] comparison [illegible] strained. Racal and Vodafone [illegible] entirely separate businesses with [illegible] revenue streams. British Gas and its pipelines are intimately interwoven; [illegible] rise in the pipelines' [illegible] sion prices [illegible] into [illegible] costs for the rest of the [illegible].

Though [illegible] independent [illegible] might [illegible] the pipelines more efficiently, the risk is that the profitability of the two parts of the business represents [illegible] zero sum game: what [illegible] gain [illegible] owners of the new GasPipeCo, they would lose as owners of British Gas. With no hidden [illegible] unlock, there would be [illegible] compensation for [illegible] downward pressure on profits caused by the new era of competition.

Privatised companies did not have a good week: British Steel saw any lingering hopes of German alliance dashed when Hoesch linked up with Krupp; British Telecom made heavy weather of finding partners for its Syncordia global communications project; and British Aerospace remained in the [illegible] rights [illegible] 371p, [illegible] below [illegible] rights [illegible] price.

Two [illegible] rights [illegible] are [illegible] in trouble. [illegible] closed the week at 40p, down 9p and 5p above its rights issue price. Hillsdown, at 205p, lost 9p on the week; the shares are now 5p below the rights issue price. That comes to a total of £1.07bn pounds worth of rights issue shares that could be left with the underwriters.

There is a risk of a vicious circle here: the more worries about rights issues depress the market, the more certain the issues are to flop. As the City headed home through a grey, rainy Friday evening, [illegible] could almost hear the sound of [illegible] thousand [illegible] strings.

Peter [illegible]

HIGHLIGHTS OF THE WEEK

	Price y'day	[illegible]	1991 High	[illegible] Low	
FT-SE 100 [illegible]	2555.0	-69.6	2679.6	[illegible]	Sterling/political nervousness
Alan Paul	38	-40	142	32	Profits [illegible]
Attwoods	174	-20	260	155	[illegible]
BICC	378	-37	[illegible]	326	[illegible] "sell" note
Britannic Assnce	905	-46	981	[illegible]	Broker "sell" recommendations
[illegible] Aerospace	371xr	-34	653½	355	Fears rights [illegible] will flop
British [illegible]	258½	-33½	294½	216	OFT [illegible] on [illegible]
Glaxo	1367	[illegible]	1436	800	Broker downgr'd/asthma [illegible] debate
Invergordon	276	+19	278	[illegible]	Higher bid from Whyte [illegible] Mackay
[illegible] Benson	323	-22	377	249	Brit [illegible] rights flop [illegible]
ML [illegible]	697	+148	697	[illegible]	[illegible] recommend'n in thin market
[illegible] Trent	335	-28	370	[illegible]	[illegible] poll [illegible]
TSB	134½	-12½	166	[illegible]	[illegible] restriction lifted
Taylor Woodrow	164	-26	289	[illegible]	No interest rate cut/Eurotunnel [illegible]
Ultramar	270	+16	358	233	Analysts visit/takeover speculation

Serious Money

PEPs: why you have to wait for a pay-off

*By **Philip Coggan**, Personal Finance Editor*

WHAT A pity [illegible] can take [illegible] only one Personal Equity Plan [illegible] year. Now that [illegible] of the leading fund management groups are marketing their [illegible] PEPs, the choice becomes all the harder.

You [illegible] probably already received your application form for [illegible] new investment trust. This [illegible] there are [illegible] further offers, from Fidelity and Foreign [illegible] Colonial.

Like M&G, Fidelity is launching an [illegible] trust, [illegible] though it [illegible] best known for unit trust management. The new trust, Fidelity Euro-[illegible] Values, will follow a similar investment strategy to [illegible] existing European unit trust.

M&G [illegible] Fidelity have cho-[illegible] trust [illegible] put the maximum £6,000 [illegible] PEP, rather than [illegible] £3,000 [illegible] can usually [illegible] placed in [illegible] fund.

[illegible] it is open [illegible] question [illegible] investing in Fidelity's trust, [illegible] a PEP, [illegible]ble. For [illegible] people, the biggest advantage [illegible] PEP [illegible] exemption from [illegible] tax. But Fidelity European Values [illegible] only [illegible] nominal [illegible].

Fidelity's argument is [illegible] people will already [illegible] placed the [illegible] allowance [illegible] year in PEPs [illegible] will [illegible] have accumulated [illegible] large [illegible] UK equities. [illegible] trust, Fidelity contends, [illegible] perfect chance for [illegible].

[illegible] while [illegible] may [illegible] true [illegible] those who regularly [illegible] capital gains tax, [illegible] people do not use up their CGT allowance. [illegible] who held [illegible] Fidelity PEP as their main investment would [illegible] long [illegible] receive [illegible] benefit.

Let us assume, generously, [illegible] the [illegible] shares grow at 15 [illegible] cent per annum, while inflation runs at [illegible]. For your £6,000 investment to grow sufficiently to [illegible] up the current £5,500 capital gains tax exemption would take six [illegible]. But it would be a total [illegible] years before your tax saving outgrew the extra fees imposed on the PEP.

And that does not allow for any increase in [illegible] capital gains tax allowance, likely [illegible] a re-elected Conservative government (although Labour would cut it).

That is not to say that it might not [illegible] worthwhile to buy shares in the trust outside [illegible] PEP, either through the offer or [illegible] via [illegible] savings scheme.

For UK [illegible] pur-[illegible] in Europe [illegible] increasingly sensible now [illegible] pound is [illegible] member of [illegible] Exchange Rate Mechanism and Britain's [illegible] with the continent grow [illegible].

Anthony Bolton, [illegible] man-[illegible] the trust, [illegible] recent

> *Those who do not [illegible] their CGT allowance would need [illegible] wait a long time [illegible] receive a [illegible] benefit*

underperformance, [illegible] gloom [illegible] costs [illegible] man reunification and the revival of Eastern Europe, plus structural [illegible] leading from [illegible] European single market, as reasons [illegible] buying European shares.

Bolton's stock-picking, value-oriented approach has placed his European unit trust top of the sector over five years, but it has done very badly over the last two. An investor buying the trust would be gambling on a revival of Bolton's skills. He is confident enough; the trust's method of borrowing money means that it will need to outperform the FT-A European (ex-UK) Index.

The long-term performance [illegible] Foreign [illegible] Trust [illegible] such that [illegible] PEP based on the trust might [illegible] an ideal purchase. Unfortunately the PEP rules, [illegible] reasons only the [illegible] seems to understand, place a £1,500 limit on the amount that can be invested in a worldwide trust such as F&C.

So the new PEP from the group allows investors to place just £1,500 in one of the eight trusts run by the group, with the rest going into a blue chip portfolio of five UK shares.

This is far from ideal, since it does not provide the diversification that would come from putting the full £6,000 in an investment trust. The companies chosen are certainly large enough – BT, BTR, BAT, Lloyds Bank and Shell – but bad news that just one of them would have a big effect on the overall value of the PEP.

There is an interesting charging structure for the PEP. Both the initial charge – £50 plus VAT – and the annual charge – £5 a month plus VAT – are flat fees. This creates an incentive to put the maximum £6,000 into the PEP, reducing the initial charge to under 1 per cent, and the annual charge to 1.2 per cent.

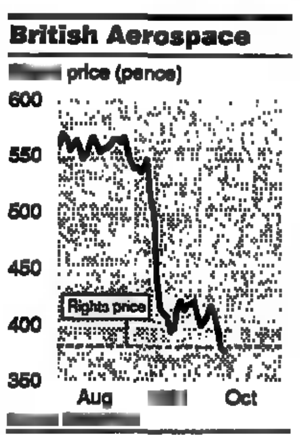
This compares favourably with the M&G offer, where the initial charge is more than 5 per cent, and there is an additional 0.25 per cent annual charge for PEP holders, on top of the normal management fee of 0.75 per cent.

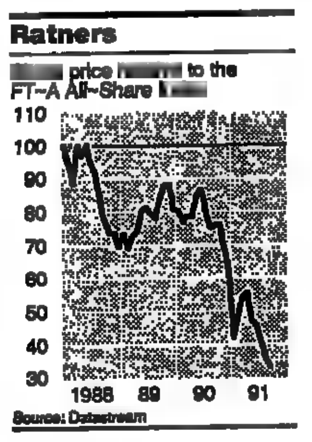
The M&G trust, however, offers greater tax advantages since its yield is 6.55 per cent, compared with a likely 4.4 per cent on the F&C PEP. On the assumption of 5 per cent annual dividend growth from each trust, it would take around 3 years for the higher rate taxpayer to earn a tax benefit from M&G sufficient to compensate him for the excess in charges over the F&C PEP.

That is not too long to wait, given the more diversified, and less risky spread, offered by the M&G trust and the possibility that the split capital structure of M&G income will push the trust's shares to a premium.

So until the rules allow the full £6,000 to go directly Foreign & Colonial Investment Trust, the M&G trust looks better as a PEP. But those interested in overseas diversification of their portfolios, might consider a non-PEP savings scheme into either the main F&C trust or Fidelity European Values.

AT A GLANCE





[illegible] shares slip below rights price

The prospects [illegible] British Aerospace's rights [illegible] were further [illegible] this [illegible] when [illegible] market price [illegible] 380p rights price. By [illegible] dropped [illegible] 371p; if that [illegible] persists, a [illegible] will [illegible] up in [illegible] underwriter. [illegible] are [illegible] to be demanding further management changes.

Double blow for Ratners

[illegible] in [illegible] been falling [illegible] prices in a January [illegible] in [illegible] as [illegible] group's [illegible] following a £17m first half [illegible]. Following a rating downgrade [illegible] Moody's, this [illegible] news was [illegible] jump in [illegible] that [illegible] company pays on [illegible] preferred [illegible] in [illegible]. The [illegible] will [illegible] around [illegible] a year.

House prices still falling

[illegible] prices fell for [illegible] third month in [illegible] in September and [illegible] little sign of an early recovery, according to [illegible] Halifax Building Society last [illegible]. The Halifax house-price [illegible] a fall [illegible] in September, compared with [illegible] of 0.9 per [illegible] in July and [illegible] per [illegible] in August.

The Halifax said continuing [illegible] homes was holding down [illegible] prices across the [illegible] might [illegible] a small annual [illegible] in prices [illegible] of [illegible] year. The year-on-year [illegible] price inflation in [illegible] UK was minus 2.5 [illegible] in [illegible] 12 months ending in September, compared with minus 1.1 per [illegible] in July and August. The society [illegible] prices paid by [illegible] buyers rose slightly [illegible] September [illegible] 1.4 per [illegible] higher than [illegible] year [illegible].

Smaller companies feel the pinch

Smaller company profits [illegible] hit hard [illegible] analysed [illegible] 304 smaller companies [illegible] report [illegible] August 24; the [illegible] pre-tax profits [illegible] fallen by 30 per [illegible]. Meanwhile, the [illegible] Smaller Companies Index (capital gains version) fell [illegible] per [illegible] 10; [illegible] County index dropped 0.8 per [illegible] to 1016.81 over the same period.

NatWest card charge deadline

National [illegible] 4.5m credit card holders should [illegible] that [illegible] charge will [illegible] coming [illegible] on October 15. [illegible] not [illegible] incur the [illegible] should return their cut-up [illegible] that date. NatWest, the [illegible] the Big Four [illegible] introduce [illegible] charges, [illegible] will [illegible] about 10 per cent [illegible] its [illegible] as a result [illegible] move.

Leeds sweetens mortgage pill

The [illegible] Building Society [illegible] offering [illegible] one-year fixed [illegible] mortgage of 9.95 per cent for [illegible] buyers only, available [illegible] repayment, endowment, PEP and [illegible] mortgages. [illegible] are no early redemption penalties but there is an arrangement [illegible] of £50. [illegible] has [illegible] one-year fixed [illegible] mortgage of 10.45 per cent on [illegible] £60,000 [illegible] home buyers. The arrangement fee [illegible] £100.

Wall Street

Battle of wills ends in impasse

THE tug-of-war between stock market optimists and pessimists continued this [illegible] with a lot [illegible] back-straining, teeth-clenching, huff-puffing [illegible] but little to show for it at the [illegible].

On Monday the [illegible] – who [illegible] a sustained sell-off by investors unsettled by a weak economy, poor corporate earnings and over-priced equities – had the upper hand. The next day the optimists – who expect the economy, and corporate profits, to pick up in the last quarter of the year in the wake of fresh interest rate cuts – recovered their footing, only to lose it again a day later.

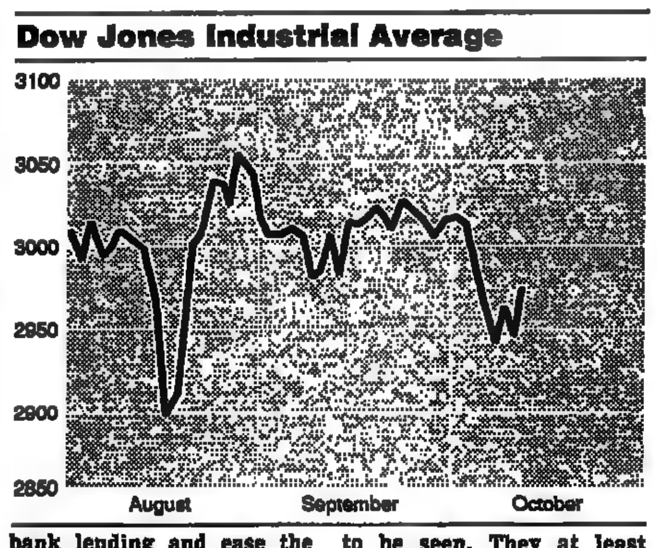
On Thursday the momentum swung back in favour of the optimists, although by midday Friday the balance of power had reached an uneasy equilibrium. For all their efforts, in four-and-a-half days the Dow index moved less than half of a percentage point.

An indecisive market is nothing new, but the Dow's failure to break out of a narrow trading range in the past six weeks has frustrated investors. Yet for the time being there seems to be little way [illegible] of the current impasse.

Even [illegible] the Federal [illegible] ease monetary policy soon, the benefits [illegible] the [illegible]omy and corporate profitability – which will [illegible] months [illegible] through – have already been discounted in equity [illegible]. The [illegible] reluctance to move in the [illegible] Friday's weak September employment data [illegible] argument for a more relaxed monetary stance has not wholly triumphed in Washington, although yesterday's retail sales and inflation numbers should have pushed the Fed's policy managers an inch nearer [illegible].

The headline retail [illegible] figure, a 0.7 per [illegible] in September, may have looked strong, but strip car sales out [illegible] calculations and [illegible] rose just 0.1 per [illegible] month. [illegible] for producer prices, they were all [illegible] in September. The inflation and retail [illegible] numbers together provided yet more [illegible] that the economic engine is barely ticking over.

In an [illegible] improve the flow [illegible] fuel [illegible] engine President Bush announced new measures this [illegible] spur bank lending and ease the credit crunch. Of the changes, the most important was the easing of limits on the amount of preferred stock banks can sell to raise capital. Steps were also taken to help regulators take a more balanced view on troubled bank loans.



Whether the measures will have much of an impact on banks' ability, or willingness, to lend to businesses remains to be seen. They at least showed that the Bush administration, which has been moaning about the credit crunch all year, is willing to back its words with action.

At least one US bank seems in no need of help from outside. JP Morgan unveiled third quarter profits of $373m on Thursday. The blue-blooded Morgan, however, is unlike any other bank, so the Citicorps and Chase Manhattans can draw little comfort from the impressive figures. A one-off $32m gain from the early retirement of debt put the icing on JP Morgan's cake, but the main ingredients for a record quarter was strong growth in securities trading and interest revenues.

More typical of the current reporting season was Westinghouse Electric's announcement on Monday of a $1.68bn charge to cover credit problems at its financial services unit. The charge, which will mostly cover doubtful real estate-linked investments, left Westinghouse with a large July-to-September loss. Plans to raise $900m in new equity, shed 4,000 jobs and possibly sell non-essential assets were also unveiled. By the end of the week Westinghouse shares had lost more than 17 per cent of their value.

Another big industrial group struggling with the repercussions of the recession is Allied Signal. The manufacturer of aerospace, automotive parts and engineered materials announced drastic steps to achieve a positive cash flow next year and improve its longer term prospects. They included a big dividend reduction, the elimination of 5,000 jobs and cuts in capital spending. To finance the restructuring $880m will be written off in the third quarter. The market responded more kindly to the Allied Signal measures that it did to Westinghouse's, the former's stock gaining good ground on the week.

Investors keen to put their money into a company listed on the New York market that has a future as bright as its immediate past needed to look south to Mexico. The ADRs of Telefonos De Mexico, the recently privatised telecommunications monopoly, were in heavy demand on Wednesday after the company backed analysts' estimates of strong full-year 1991 earnings. Telmex's ADRs made their Wall Street debut in May at $27¼ and by yesterday they were trading comfortably at $40½.

Monday	2942.75	− 19.01
Tuesday	2963.77	+ 21.02
Wednesday	2946.33	− 17.44
Thursday	2976.52	+ 30.19

Patrick Harverson

City takes a kind view of Caradon package

M[illegible] rights [illegible] this week was a [illegible] the City's confidence in the building products, packaging and printing group.

The group launched a one-for-six call at 205p, encouraged by the shares' 23 per cent outperformance this year and spurred by the desire to reduce gearing of 72 per cent.

Judging by the resilience of the share price in the past week, the stock market has not dismissed the cash call as opportunistic. But it has intensified City questions, which the management cannot dodge for long, about why the group persists in holding its stake in CMB, Europe's largest [illegible]ing company.

The interim results [illegible] made a good claim that the cash [illegible] genuinely needed for organic growth, and [illegible] an opportunistic grab.

[illegible] company managed [illegible] show pre-tax profits [illegible] £47.2m, [illegible] 12 [illegible] fall despite [illegible] fall in turnover [illegible] £335.5m (£358.9m).

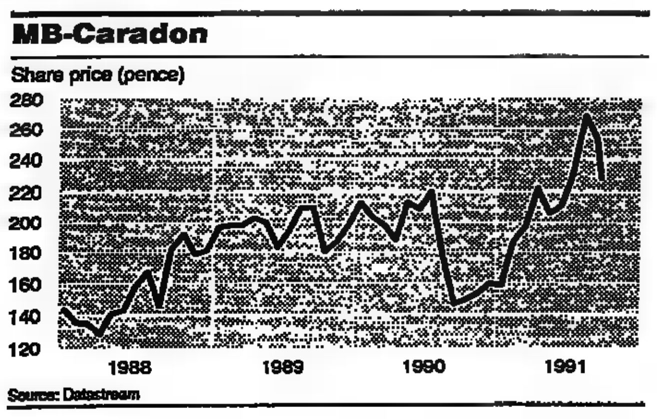
Peter Jansen, chief [illegible]tive, said the strength of UK brands, including [illegible] double glazing and Twyfords bathrooms, had helped support prices. However, [illegible] limit the damage from [illegible] recession, [illegible] group had [illegible] on [illegible] spending, he [illegible].

Last year the group invested £39m on all its businesses, but analysts [illegible] that [illegible] drop to £26m in 1991. As investment in refrigerator plant is consuming £37m between 1990 and [illegible] spending [illegible] has [illegible] even more constrained than the total investment numbers suggest, said Jansen.

The rights issue will [illegible] net debt from £228m [illegible] £79m and pull gearing down to 17 per cent of the strengthened balance sheet, giving the group some room to move.

What will it do with [illegible] cash? It knows that it will have to expand working capital, particularly stocks, when an economic upturn comes, although [illegible] that there [illegible] only anecdotal [illegible] that [illegible] is starting.

[illegible] company [illegible] spotted "relatively [illegible]" acquisition opportunities, including [illegible] within its building products competitors who have fared [illegible] well in [illegible] recession.



City analysts expect in-fill [illegible] in building [illegible] bathroom products on [illegible] continent, although [illegible] group's position in the UK is so strong that further expansion there [illegible] considered more difficult.

But [illegible] sale of the US cheque printing business [illegible] more likely [illegible] expansion of this business, as [illegible] division [illegible] fit clearly within the group's strategy.

It [illegible] a tribute [illegible] the management [illegible] reputation for successful acquisitions that [illegible] reasons [illegible] rights [illegible] have been well [illegible] in the City.

[illegible] some have asked why, if the group needed cash that badly, it could not [illegible] sold its 25 per [illegible] in CMB Packaging, Europe's largest packaging group.

CMB was created in 1989 by the merger of the packaging interests of Metal Box and the French group Carnaud. The rump of MB then acquired Caradon. The stake, listed on the UK and French exchanges, is valued at around £300m. Although it contributed £31.8m to MB-Caradon's pre-tax profits of £101.7m, it contributes only around £7m a year in dividends.

The 14 per cent fall in CMB's pre-profits last year stimulated speculation about a sale, as did the well-publicised Anglo-French culture clash within the management.

The MB-Caradon management will not comment on the future of the stake, and a month after an extensive management reorganisation at CMB, with the benefits yet to come through, just now might not be the time to get the maximum value.

The speculation adds excitement to a good if undramatic outlook for the shares.

The spurt of outperformance in the first half of the year came as the City realised it was looking at a suddenly-rare animal: a building products company with rising profits.

Although UK recovery looks further away, and the building sector is hardly going to lead the way, at 228p the shares do not look too expensive.

Michael Murphy at Warburg Securities calculates the rights issue will add £2.5m to pretax profit for the full year, taking his new estimate to £108m, and that it will leave earnings unchanged at 15.4p.

Next year, he estimates the interest on the rights issue cash will take pre-tax profits to £140m, compared to his previous estimate of £125m; but that the extra shares in issue will pull earnings back to 18.4p from 18.7p.

The p/e ratio of 14.8 on 1991 earnings and 12.4 on 1992 is close to the market average, and clearly assumes some recovery is on the way, but still leaves room for improvement as investment feeds through to profits in the next two years.

Bronwen Maddox

Health insurance: a panacea for all ills?

POLITICIANS OF all persuasions have ensured that we have all given a lot of thought to the National Health Service this [redacted].

Those deserting the NHS should ask themselves how [redacted] they are in health insur[redacted] hands. The marketing of health-related insurance products has surged lately, for reasons which might be linked to worries aroused by the political contro[redacted]

Other factors are also in play. People [redacted] more [redacted] their health than ever. Cancer, [redacted] particular, seems almost to have replaced the Bomb as the lurking fear at [redacted] back of all our minds – roughly [redacted] three people will contract some form of cancer during their lifetime, and a Gallup [redacted] London Life found that 47 per cent of people [redacted] cancer [redacted] than [redacted] other illness. Heart disease [redacted] far behind.

Modern medicine [redacted] it [redacted] to postpone death for much longer. This in turn [redacted] life assurance [redacted] important, [redacted] insuring against the [redacted] becomes a priority. [redacted] ten [redacted] likely [redacted] off [redacted] through [redacted] illness than [redacted] before [redacted] of 65.

Meanwhile, demographics ensure that there will soon be [redacted] elderly people, many requiring long-term [redacted] care.

A [redacted] range [redacted] products [redacted] still evolving, confusing both advisers and [redacted]ers. The jargon surrounding [redacted] help, [redacted] distinct prod[redacted] on the market:

■ Private Medical Insurance will pay for *any* private medical treatment you need – even if it is only an operation on an in-growing toe-nail – up to a certain maximum.

■ Permanent Health Insurance replaces your income for any time you have to spend off work because of ill health.

■ Dread Disease Insurance, also known as "critical illness insurance", pays a lump sum in the event that [redacted] struck by a life-threatening disease. There are no strings on how you spend [redacted] money, but the range of diseases covered is limited – cancers, heart attacks and strokes are the most widely [redacted]

■ Long Term Care Insurance insures against the chance that you will need to go into residential care towards the end of your life. Only a few products have been launched, and most will [redacted] active role in organising care at specific homes.

Opinions [redacted] as [redacted] how all [redacted] policies fit together. Peter Kelly, of Allied Dunbar, which offers PHI, PMI and dread [redacted], considers them complementary. Dread [redacted] helps you spend a lot of money on ending your life in happiness and with dignity, but [redacted] cumbersome, while PHI pro[redacted] other complaints which [redacted] ruin your career. [redacted] example, you would need PHI [redacted] compensate [redacted] you had [redacted] nervous [redacted]

The underwriting criteria for the two are similar, according [redacted] Young [redacted] Abbey Life – [redacted] rule of thumb if [redacted] eligible for [redacted] you [redacted] eligible for the other.

[redacted] natives, [redacted] heavily [redacted] side [redacted] another. For [redacted]ple, [redacted] Hargreaves, of Har[redacted] Lansdown, [redacted] as [redacted] "gimmick" and recommends PHI, because [redacted] offers compensation after [redacted] and [redacted].

However, Dr Marius [redacted]nard, [redacted]rother of Christian Barnard and [redacted] heart [redacted]urgeon, [redacted] critical illness policies [redacted] superior, because claims assessment for PHI is contentious.

Certainly, if the worst does come to the worst, "dread disease" – as it was named when the concept was launched in South Africa – could be a godsend. It allows you to maintain financial independence at a [redacted] everything else [redacted]

However, reading [redacted] small print is [redacted] Many [redacted] policies in the UK (although not that of Abbey [redacted] as previously incorrectly stated in [redacted] will [redacted] bypass operations if grafts have been made to only one artery, not two, [redacted] example. Barnard describes [redacted] policies [redacted] "immoral". If you [redacted] the horror of undergoing heart [redacted] and emerging with [redacted] finished only [redacted] find that [redacted] policy [redacted] not [redacted] out, it [redacted] a company with [redacted] inclusive definition such as Pegasus or Prolific.

Several companies, including big players [redacted] Abbey [redacted] and Laurentian, [redacted] that [redacted] industry must [redacted] precise [redacted] prevent further confusion.

[redacted] policies are [redacted] policies and are [redacted] in [redacted] way. If you already have adequate [redacted] cover it [redacted] go for [redacted] policies which only [redacted] you [redacted] token amount [redacted] death. This points [redacted] Pegasus, Abbey Life and [redacted] Dunbar.

While PHI and critical [redacted] are [redacted] forms of protection, PMI fits in to planning more as a luxury. If you have a heart attack or a stroke, you are best advised to use the NHS, and the odds are that you will be treated very quickly. PMI gives you greater control and choice over more minor conditions.

Many [redacted] innovations have been very clever – [redacted] Personal Equity Plan [redacted] pay for premiums – but remember: [redacted] important information is in [redacted] print.

John Authers

Permanent health insurance

THE most [redacted] insurance product in the UK is Permanent Health [redacted] (PHI), concludes a [redacted] by RAS Research for Laurentian Financial Group on public perceptions of health insurance. It contrasted attitudes to PHI, private [redacted] insurance, crit[redacted] illness policies, and long-term [redacted]

After surveying 1,042 adults, Laurentian found that [redacted] per cent rated PHI [redacted] the most important, with private medical insurance next [redacted] per cent). However, only 3.4m people in the UK hold PHI policies, compared with 6.8m with private medical insurance.

John Howard, of Laurentian, said the survey was an indictment [redacted] the industry.

Part [redacted] problem, no doubt, [redacted] the [redacted] "Permanent health insurance" [redacted] if it insures you against being permanently healthy; perhaps [redacted] not [redacted] that it replaces [redacted] when you [redacted] ill. Laurentian [redacted] tried [redacted] combat [redacted] problem by calling [redacted] product Income Security, [redacted] *beginning* [redacted]

Failure [redacted] is all [redacted] more startling, Howard [redacted], because [redacted] Financial [redacted] Act actually [redacted] could [redacted] paid [redacted] intermedi[redacted]

[redacted] Hargreaves, [redacted] Har[redacted] Lansdown, [redacted] as [redacted] key element [redacted] plan, particularly for people [redacted] on [redacted] ownership and raising families. He even gives [redacted] precedence [redacted] pension plan. [redacted] is because other plans and policies tend to lapse once [redacted] regular source of income has dried up. Thus, Hargreaves suggests it makes sense to take out PHI to cover [redacted] until your youngest child [redacted] reaching independence, and then work hard to catch up on pension contributions.

The industry standard is to pay [redacted] maximum [redacted] 75 per cent of current income. If someone has taken out [redacted] for [redacted] than this, only the [redacted] per [redacted] will be paid out. Lester Young [redacted] Abbey Life [redacted] this [redacted] a direct incentive not to [redacted] insure.

Insurers will not [redacted] more than 75 per cent of the otherwise available salary [redacted] it [redacted] people not [redacted] return [redacted] work. Also, pay-outs are often tapered so that you would be paid, for example, 75 per cent [redacted] the [redacted] £45,000 of your salary, 50 per [redacted] the next £15,000, and 25 per cent of anything above this. These terms vary: it is worth shop[redacted] around.

Hargreaves recommends Permanent Insurance, which spe[redacted] in PHI, primarily for members [redacted] professions. Such [redacted] particularly important for members [redacted] small partnerships, for example, where sick pay may soon *run out*.

Precise terms will vary between companies, but the following quotation from Permanent, [redacted] cover a 35-year-old until [redacted] for an [redacted] weekly [redacted] £200 should be indicative. If the person's occupation can be described as "professional, clerical and administrative", then a monthly premium of £24.32 will be payable, if the insurance is to start paying after only four weeks of being ill. This is most appropriate for self-employed people. However, if you would not need replacement income until you had been off work for 13 weeks, the premium would [redacted] only £16.97.

J.A.

Private health insurance

WHEN MY parents reached 60, one retired and the other slipped a disc. It is unfortunate that just as you are freed from the shackles of work and children, your body may begin to let you down. Forget a celebratory holiday and new golf clubs; private health insurance should be a priority.

Trouble is, such insurance is costly, and existing or previous health problems will probably be excluded if you take out a new scheme. It is essential to shop around before you retire – and to read the small print.

However, one attraction of private health insurance if you or your spouse are over 60 is that you qualify for tax relief on the premiums, providing you choose a scheme approved of by the Inland Revenue.

Basic rate tax relief is given to the premium payer – even *to people who do not* pay tax – through a reduction in premiums. You will have to supply the insurance company with details and they will claim tax relief for you. Higher rate tax payers can claim back the additional relief through their tax office. Tax relief schemes do not cover your children or alternative medicines.

There is no shortage of schemes to choose from. The first thing to decide is how much cover you can afford. Lowest cost premiums tend to be for six-week waiting schemes, such as PPP's Retirement Health Scheme and MGI's new [redacted] scheme. Under these, you can [redacted] treated privately if you cannot be treated within six weeks at an NHS hospital. Initially, you will have to see a specialist through the NHS.

At the top end of the scale you can enjoy unlimited cover, including treatment as an out-patient, medical care overseas, [redacted] little restriction on which hospitals you can use.

It is better to be over rather than under-insured. Cover of £10,000 a year may [redacted] ample, but it will not go [redacted] if you have a serious operation and then chemotherapy. [redacted] cost of repairing a [redacted] can [redacted] to £6,925, while [redacted] hip replacement could add up [redacted] £6,910, according to Norwich Union.

Many schemes only [redacted] limited out-patient treatment – [redacted] up to £500 a [redacted] – while [redacted] it completely. [redacted] *extensive* home nursing. Long-term illnesses [redacted] as multiple sclero[redacted] are often excluded. You should [redacted] whether the insurance company will only allow treatment [redacted] hospi[redacted] a list. [redacted] exclude [redacted] majority [redacted] teaching hospitals; others may look [redacted] for [redacted] time being, but what if you [redacted] And [redacted] all private hospitals have [redacted] back-up provided by big NHS hospitals.

[redacted] thing to [redacted] which premiums will rise as you get older. BCWA's single members' premiums [redacted] by [redacted] per [redacted] when members [redacted], and by [redacted] further 20 per cent at 70. Most companies raise [redacted] gradually [redacted] year. Premiums may be [redacted] by [redacted] you live – [redacted] Prime Health is good value for people living [redacted] London but less [redacted] for those living within the 071 telephone code area.

Any condition which existed during the five years before your policy commences, [redacted] even check-ups you undertake [redacted] this condition, will usually be excluded, unless you remain symptom-free for a set period – usually two years – after joining the [redacted]. However, [redacted] will cover illnesses whose symptoms appear after [redacted] joined the [redacted], even if the condition must have been present before you joined.

If you have an existing condition which all the insurance companies you approach refuse to cover, or you feel that you would rather pay for any treatment you need if and when the time comes, you might consider WPA and Mondial Assistance's Epidaurus scheme.

Uninsured patients considering paying privately for an operation are [redacted] three quotes: [redacted] for [redacted] hospital near home; one [redacted] another UK hospital; and [redacted] for continental [redacted] guaran[redacted] 28 days. If an [redacted] hospital [redacted] chosen, travel arrangements [redacted] by Mondial [redacted] included in [redacted] quotation.

Heather Farmbrough

THE BEST RATES FOR YOUR MONEY

	[redacted]	Telephone	Notice/ term	Minimum deposit	Rate %	Int. paid
INVESTMENT A/C's [redacted] BONDS [redacted]						
Southdown BS	Super/Saver	0273 471671	[redacted]	[redacted]		Yly
Bradford & Bingley BS	Direct Premium	0345 247247	Instant	£1,000	11.50%	Yly
Britannia BS	Capital Trust	0800 636263	Instant	£2,000	12.15%	Yly
Northern Rock BS	Eclipse	091 285 7191	60 Day	£50,000	11.61%	Mly
Lancastrian BS	Lancastrian Bond	061 [redacted]3 1021	31.8.92	£25,000	12.35%	OM
Chelsea BS	2 yr Option Bond	0800 272505	2 Year	£5,000	12.20%	Yly
Al[redacted] BS	Special Return	[redacted]	2 [redacted]	£10,000	[redacted]	Yly
TESSAs (Tax Free)						
West Bromwich BS		021 [redacted]	5 Year	£150	13.25%	Yly
Allied Trust Bank		071 [redacted]	5 Year	£9,000	13.24%	Yly
National Counties BS		0372 742211	[redacted] Year	£3,000	13.10%	Yly
Lambeth BS		071 928 1331	[redacted] Year	£20	12.90%	Yly
Darlington BS		0325 487171	5 [redacted]	£1	12.90%	Yly
HIGH INTEREST CHEQUE A/Cs (Gross)						
Caledonian [redacted]	HICA	031 556 8235	Instant	£1	10.00%	Yly
UDT	Capital Plus	0734 560 411	Instant	£1,000	9.90%	Qly
Chelsea BS	Classic Postal	[redacted]	Instant	£10,000	10.70%	Yly
				£25,000	11.20%	Yly
Northern [redacted] BS	[redacted]	091 285 [redacted]	[redacted]	£25,000	10.71%	Mly
OFFSHORE ACCOUNTS [redacted]						
Portman [redacted]	[redacted]	0481 [redacted]	Instant	£1,000	10.70%	Yly
C[redacted] Channel [redacted]	Guernsey Gold	[redacted] 715422	Instant	100,000	11.50%	Yly
Alliance & Leicester (IOM)	Manximum 90 Day	0624 [redacted]	90 Day	£25,000	11.00%	Yly
Yorkshire BS Guernsey	Key Extra	0481 [redacted]	180 Day	£50,000	11.95%	Yly
Bradford [redacted] Bingley [redacted]	Max Ind Bond III	[redacted]	1 [redacted]	£25,000	11.78%	Yly
GUARANTEED INCOME BONDS (Net)						
Hambro Guardian FN		0800 262536	[redacted]	£5,000	8.50%	Yly
Canterbury [redacted] FN		0227 457375	[redacted] Year	£5,000	[redacted]	Yly
Prosperity Life FN		0800 [redacted]	3 [redacted]	£2,000	[redacted]	Yly
Liberty Life FN		081 440 8210	[redacted]	£25,000	8.90%	Yly
Providence [redacted] FN		0256 768888	5 [redacted]	£25,000	9.00%	Yly
NAT SAVINGS [redacted] BONDS [redacted]						
	Investment A/C		1 Month	£5	[redacted]	Yly
	Income Bonds		3 Month	£2,000	11.00%	Mly
	Capital [redacted]		5 [redacted]	£100	11.50%	[redacted]
NAT SAVINGS CERTIFICATES (Tax Free)						
	36th Issue		[redacted] Year	£25	8.50%F	[redacted]
	5th [redacted]		[redacted] Year	£25	4.50% +Infln	[redacted]
	Childrens Bond F		5 Year	[redacted]		[redacted]

All rates (except Guaranteed Income Bonds) are shown Gross
*= Gross Equivalent Rate. Fixed; Fixed Rate (All other rates are variable. OM= Interest paid on maturity. N= Net Rate. B= Bond
Source: Moneyfacts, The Monthly Guide to Investment and Mortgage Rates, Walsham House, Stalham, Norwich.

Investment for the uninitiated

INVESTORS CHRONICLE BEGINNERS' GUIDE TO INVESTMENT
by Bernard Gray,
[redacted] Century
£8.99, [redacted]

HOW TO READ THE FINANCIAL PAGES
by Michael Brett,
[redacted] Books, [redacted] Century
[redacted]

ALLIED DUNBAR INVESTMENT AND SAVINGS GUIDE 1991-92,
Longman Law, Tax [redacted] Finance, £16.99, 376 pages.

THE LAST present [redacted] many people would [redacted] in their Christmas stocking is some weighty [redacted] on [redacted]. However, there are books which are interesting and entertaining [redacted] the subject and which could [redacted] those [redacted] finances are not in order.

If [redacted] a [redacted] daughter in their [redacted] who [redacted] still not [redacted] any long-term [redacted]ing, the step-by-step approach adopted by Bernard Gray [redacted] ideal for working [redacted] from [redacted] principles [redacted] would be appropriate. An excellent flow chart [redacted] the [redacted] through [redacted] step of building a financial plan for [redacted] family.

Similarly, if [redacted] a parent who [redacted] recently retired with a pension lump sum, and insists on keeping [redacted] all in a building society, one [redacted] might provide [redacted] tactful nudge into investing the money [redacted] more purpose.

Although all the [redacted] in the business [redacted] providing [redacted] broad overview, they [redacted] knowledge and experience. They also [redacted] in [redacted] amount they [redacted] been [redacted] for the new editions.

The best guide for the total [redacted] is, [redacted] implies, Bernard Gray's *Beginners'* [redacted]. It [redacted] fluently and clearly written, with [redacted] phrases in bold [redacted] help [redacted] who might [redacted] difficulty following the argument. [redacted] includes "in [redacted]" [redacted] at the end of [redacted] chapter, making it remi[redacted] of exam pass-notes.

More experienced [redacted] might [redacted] benefit [redacted] reading Gray's book. [redacted] he [redacted], investment [redacted] an art [redacted] a science, [redacted] leads him on to genuinely contentious [redacted].

For example, Gray strongly [redacted] "index" or "tracker" funds, which are all the rage in [redacted] US but have yet [redacted] on to the same extent in the UK. Tracker funds [redacted] in [redacted] spread of equities selected to mirror a market index (such as [redacted] FT-SE) and [redacted] them there, [redacted] fund management, [redacted] match the index, [redacted] much [redacted] in [redacted] charges.

Gray says: "The relative lack [redacted] popularity [redacted] might [redacted] a national [redacted] the individual [redacted]tem, or [redacted] marketing by unit trust [redacted], cheap [redacted] into [redacted] market."

[redacted] using tracker funds as a core [redacted] portfolio, allowing the [redacted] try [redacted] ambitious "punts" on other equities. [redacted] certainly interesting.

[redacted] seem [redacted]essarily damning. For example he says that "it is not worth buying gilts through a unit trust". While there is a strong case for this, innovations, such as allowing gilt unit trusts to [redacted] a [redacted] proportion of [redacted] bonds, [redacted] such [redacted] in portfolio [redacted].

[redacted], it [redacted] Gray's [redacted] of [redacted] Expansion [redacted] industry into "ordinary BES" trading companies, which he does not recommend for beginners, and assured tenancy schemes, which have more attractions. While he points out the strengths of "growth [redacted]" [redacted] companies, his [redacted] strongly [redacted] "[redacted] sort of scheme verges on arbitraging the taxman, and surely cannot last for long."

It is easy to see why Brett's book has become a prescribed text for many trainee accountants. Like Gray's book, [redacted] puts important words and phrases in bold type.

However, Brett's book is more technical, and is not so clearly meant as a guide to investment from the private investor's point of view. Rather, it explains with impressive precision how the City works at a broader level.

If you are bored by finance and just want to know how to improve your own situation, read the *Beginner's Guide*. If you are interested in finance but your knowledge is hazy, buy *How to Read*. . .

Disappointingly, Brett's book has only been revised by the addition of a final chapter detailing developments since 1989. You then need to cross-re[redacted] previous chapters [redacted] see [redacted] quo [redacted] changed. Gray's [redacted] a continuous [redacted] BCCI collapse.

[redacted] Dunbar's [redacted] clearly [redacted] novice but it has every chance of finding its way on to the shelves of many independent financial advisers.

Its Wisden-like propensities can be demonstrated easily enough by listing some of its contents: coins, diamonds, [redacted]day homes, pleasure gardens, racehorse ownership, riding schools, stamps, stud farms, theatrical productions, wildlife parks, wine, woodlands and works of art.

More mainstream investments are also thoroughly covered. As an exhaustive reference book it should be useful, but novices and people with only a little spare cash would be better advised to look at Gray's book.

One final point should argue in favour of arming inexperienced investors with one of these tomes. The writers in all cases start from first principles – and life assurance-derived products never seem to enter into the equation. The protection of covering your life [redacted] naturally [redacted] investment. [redacted] protec[redacted] and investment in one product, it is better to separate the two.

Sadly, thanks to the financial services distribution system in the UK, most novices are only told about savings schemes which also insure their lives.

If they read one of these books, they will be much better armed when the next salesman calls.

John Authers

Ethical investment: a curate's egg

***Scheherazade Daneshkhu and Sara Webb** on a row over ethical trusts*

THE Bishop of [redacted] suit against the Church Commissioners raises a fundamen[redacted] question [redacted] all [redacted] investment [redacted] money?

The Commissioners [redacted] that [redacted] returns on ethical investment [redacted] not good enough, but [redacted] the contrary. Over [redacted] and three-year period [redacted] 1 September (offer [redacted] bid, [redacted] outperformed [redacted] average unit trust.

"There are [redacted] circum[redacted] in which that duty [redacted] to give [redacted] derived from Christian morality," argued Robert [redacted] QC, for the Church [redacted] in the High Court [redacted] week.

Duty means getting [redacted] possible return on £2.4bn of Church funds to pay clergy stipends and pensions. Morality, in the [redacted] the Church's ethical investments, is [redacted]ently [redacted] profitable enough.

The majority of ethical [redacted] are unit trusts, although there [redacted] number of insurance and pension funds. Direct [redacted] into equities are increasingly having stocks screened for eth[redacted] criteria, according to a report by Shelley Taylor and Associates, London, which puts the figure [redacted] 10 [redacted] the equity [redacted].

[redacted] of [redacted] unit trusts have only [redacted] operating for [redacted], making [redacted] long-term [redacted]ment [redacted] their performance impossible. But in that period [redacted] fund [redacted] outperformed [redacted] trust.

However, much of [redacted] success [redacted] the outstanding performance [redacted] one of [redacted] funds, [redacted] Health, which has been [redacted] best performing unit trust for both years. Medical invests mainly in the US biotechnology sector, which has risen strongly.

Over the three year period, seven ethical funds were in the bottom half of their sectors and four in the top half. The [redacted] is [redacted] for [redacted] year period with ethical funds split evenly into [redacted] halves.

The [redacted] against the Church Commissioners [redacted] arisen mainly [redacted] the Church's investments in companies with business in South Africa, according [redacted] Timothy Lloyd [redacted] who represents [redacted] bishop. [redacted] companies [redacted] in spite [redacted].

"Most ethical investors think the time [redacted] yet right [redacted] relax their restrictions [redacted] African interests," according [redacted] vey conducted by Ethical [redacted] Services.

EIRIS [redacted] UK companies [redacted] a range of [redacted] such [redacted] their involvement in [redacted] tobacco business and its research is used by [redacted] of [redacted] unit trusts, including the NM Conscience Fund, Abbey Life's Ethical Trust, and Friends Provident's Stewardship [redacted].

However, with ethical investors still keen [redacted] avoid companies with [redacted] links, some [redacted] the big [redacted] names including Shell, BP, ICI, GEC, BTR, Lonrho, BOC, RTZ, Trafalgar House and Blue Circle, which have substantial [redacted] in South Africa, are likely to remain outside their portfolios.

[redacted] a survey of [redacted] its newsletter, [redacted] *Investor*, [redacted] that out of [redacted] respondents, [redacted] (366) [redacted] Afri[redacted] past. Of [redacted] who [redacted] companies [redacted] ties, 7 per cent felt that the time had come [redacted] change [redacted] approach towards investing [redacted] Africa.

However, EIRIS [redacted] most of [redacted] who [redacted] South Africa [redacted] willing [redacted] remove [redacted] their black[redacted] if [redacted] ANC [redacted] South African Churches [redacted] relaxation of sanctions.

[redacted] investors [redacted] avoided South Africa in the past, 61 per cent said they would [redacted] wait [redacted] while [redacted] investing in companies [redacted] in that country all along.

[redacted] survey showed that ethical investors would also steer clear of companies which paid low wages in [redacted] Africa, or which [redacted] and [redacted]mote [redacted] African workers, or recognise trade unions [redacted] Africa.

Meanwhile, [redacted] argument between the Bishop [redacted] Church Commissioners [redacted]ues in the [redacted] Court in London.

I think my tax inspector is ignoring me

Q&A
BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

[redacted] A WIFE with an [redacted] but no [redacted] I [redacted] duty to report my income [redacted] my tax office. But how? A while ago, I wrote to my [redacted]band's tax office explaining my position and requesting forms on which to make my return. They wrote saying I should apply to the Evesham office. I wrote to Evesham and after a few weeks received leaflets on how to reclaim or not pay tax, but no forms. I wrote again, explaining my need for forms, but have had nothing. I do not wish to start on the wrong foot with my tax inspector. What do I do now?

■ Tax offices are generally overloaded and are bound to give priority to the cases of taxpayers who are entitled to refunds. Evesham tax office will get around to sending you a tax return form some day, but it may be months before your request reaches the top of the non-urgent pile.

Meanwhile, (before next April) you can [redacted] details of your income etc, to the [redacted] office [redacted] plain [redacted].

I want to be taxed too

IN THE [redacted] and 1990-91 I [redacted] some small untaxed earnings [redacted] £700 [redacted] £100) writing [redacted] a hobby journal. I [redacted] my [redacted] (Liverpool 2) [redacted] the beginning [redacted] the following [redacted], completed the return [redacted] which were [redacted] and returned them promptly. [redacted]ever, I have not received any notices of coding since then, and [redacted] Paye statement suggests [redacted] my returns has been processed. Do I have a duty [redacted] my tax office that I owe some [redacted]

I was [redacted] in your answers under [redacted] headings "Sorry I [redacted]" [redacted] "Your duty to declare income" in the Weekend FT, August [redacted] even though I [redacted] read IR1 and IR84 as recommended, I am none the wiser.

The matter seems to hinge on the meaning of the phrase "reasonably believe that his affairs were in order". My affairs are certainly in order in the sense that I have declared all my income. However, they are not in order in the sense that I am aware that I have not paid the tax which the Revenue could lawfully demand from me.

■ The phrase can only be construed, in its context, as meaning "reasonably believe that there were no outstanding tax bills or unassessed liabilities". The tax office has plenty of time to get around to assessing you, so there is no reason to prod them into action. An assessment for 1989-90 can be made as late as April 5 1996. Priority is given to large assessments and sometimes tax offices do not bother to assess modest liabilities. (But keep the money ready, because the tax will be payable within 30 days).

Probate and joint accounts

MY WIFE and I have two joint accounts.
In both cases either of us can sign. In the event of one of us dying, can the survivor operate these accounts? The purpose of these accounts being joint was to assist the survivor. The bank said that this was the answer, but some doubt has been cast on this. Are such accounts frozen pending probate?

■ The survivor will be able to operate either account, and it would only require proof of death (eg. the death certificate) to enable the survivor to assume title to all the money in each account.

Watching brief on unit trusts

[redacted] NEW [redacted] which aims to help investors choose between the 1,400 unit [redacted] on offer has been launched [redacted] Cityward Planned Prosperity, a division [redacted] insurance [redacted] CE Heath.

The Investment Performance Bureau monitors the relative performance [redacted] funds against their sector and picks out funds which are enjoying [redacted] average growth.

Cityward [redacted] that relative performance trends are a much better indicator [redacted] future growth than [redacted] more traditional [redacted] performance" tables.

It earns its [redacted] by taking a 3 per cent commission from the unit trust company when a client buys a holding. [redacted] you would [redacted] the same commission if you bought through most financial [redacted]ers or even directly from the unit trust company. The investment [redacted] then [redacted] on a regular basis, to check that its performance [redacted] not slip.

[redacted] well as unit trusts, the Investment Performance Bureau [redacted] life assurance funds and at the FT-SE [redacted] stocks.

The group also offers a discretionary unit trust management service, with a minimum investment of [redacted] and an annual fee of 1.25 [redacted] plus VAT. There is a choice of three portfolios; UK Growth, UK Income [redacted] International Growth.

Those interested can get an information pack by writing to Cityward, Freepost SN1775, Melksham, Wilts, SN12 7BR. They will [redacted] receive [redacted] voucher [redacted] them the right to a free analysis of the performance of one of their funds.

[redacted] new [redacted] Cityward to analyse have just [redacted] launched. [redacted] Japanese Enterprise Fund, [redacted] Schroders. It will be managed by Ed Merner, the man behind Schroder's highly successful Japanese smaller companies fund, first in its sector over two, three, five or seven years.

The new fund will invest in a concentrated portfolio of 30 to 40 stocks where the managers believe there is value. This lack of diversification obviously [redacted] it [redacted] risky than most unit trusts.

The Japanese market is well down on its late 1980s highs but price-earnings ratios are still quite pricey by Western standards.

Investors who register by November 9 will receive a 1 per cent discount on the offer price of 50 pence. The initial charge is 5.25 per cent and the annual management charge is 1.5 per cent. Minimum initial investment is £1,000 or £25 per month via the monthly savings scheme.

Meanwhile, GT Management has launched an Orient fund, a trust investing in the non-Japanese Far Eastern countries. Units will be offered at 50p each, with a launch discount [redacted] 1 [redacted]. [redacted] initial charge is 5.25 per cent, with an annual fee of 1.5 per cent. The minimum investment is [redacted], or [redacted] a savings [redacted].

Philip Coggan

Gilts and the private investor

THE CASE [redacted] private investors owning index-linked [redacted] was given [redacted] further lift this week by one of the country's leading [redacted] analysts.

Roger Bootle's [redacted] book* analyses the history [redacted] index-linked [redacted] which [redacted] admits [redacted] not produced [redacted] for [redacted] to [redacted].

However, although he expects the [redacted] of relatively low inflation, [redacted] prospects [redacted] index-linked could [redacted] improve.

This [redacted] because real (adjusted [redacted] on [redacted] high in [redacted] and in the early 1990s, [redacted] have attempted [redacted] inflation out [redacted] the [redacted].

[redacted] may [redacted] reduce real [redacted] stimulate growth, thereby making [redacted] per [redacted] real [redacted] currently [redacted] on index-linked look [redacted] attractive.

The [redacted] an exceptional period for equities [redacted] a long-running economic boom and an [redacted] of GDP for company profits. But looking back [redacted] period, [redacted] hypothetical [redacted] gilt would have outperformed equities [redacted] 1962 and [redacted] according [redacted].

For private investors, [redacted] are increased by [redacted] of the return on index-linked gilts comes in the form [redacted] tax-free capital [redacted]. [redacted] advantages might [redacted] greater under [redacted] higher-taxing, [redacted] possibly [redacted] inflationary, Labour government.

[redacted] redemption value [redacted] index-linked gilts, [redacted] payment, are [redacted] Retail [redacted] Index.

■ *Index-linked Gilts, published by Woodhead-Faulkner at* [redacted]

Philip Coggan

The Week Ahead

[redacted] Industries, the automotive and aerospace engineering group, is expected to announce on Monday a collapse in pre-tax profits for the year end July. In line with its profit warning earlier in the year taxable profits are expected to be around £80m, compared with £191.2m in the comparable period.

UK automotive [redacted] badly [redacted] by [redacted] recession. [redacted] components [redacted] for UK commercial vehicles has remained depressed [redacted] sector [redacted] the end of [redacted]. Analysts are more interested in what the company will be forecasting for the full-year in 1992; however, the outlook is uncertain. Reflecting this, forecasts vary from as low as £50m to £130m.

Shares of Albert Fisher, the food processing group, have fallen from 110p on September 26 to close at 87p last night. The company announces its results for the year ended August on Thursday. Analysts have been scaling back their forecasts to around £90m from £94m, compared with £74.4m earned in the previous year. Besides the profit downgrading, rumours [redacted] a rights [redacted] have also undermined [redacted] price.

[redacted] Chemists, which this [redacted] indignation [redacted] having [redacted] thy [redacted] Monopolies and [redacted] Commission, [redacted] a pre-tax profit [redacted] more than 50 [redacted] the 12 [redacted] It reports on Tuesday.

The forecast [redacted] as it [redacted] for [redacted]thy, which [redacted] Savory [redacted] shops. If Lloyds could add [redacted] it would [redacted] position [redacted] MMC deliberations will [redacted] about [redacted].

Highland Distilleries, [redacted] on Monday, is expected to report a healthy 13 per cent [redacted] in pre-tax [redacted] August [redacted] £28m, [redacted] by further export growth [redacted] Famous [redacted] whisky. Highland, [redacted] per [redacted] pre[redacted] half trading [redacted].

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £ms**	Bidder
[redacted] in pence unless [redacted] indicated					
Anglo Scand'vian	88♣§	86	[redacted]	[redacted]	Scottish Cities
Beazer	[redacted]	115½	[redacted]	[redacted]	Hanson
Caparo [redacted]	64*§	62	47¼	[redacted]	Caparo Group
Carbo‡	247½[redacted]	244	230	32.07	Hopkinsons Grp.
Cramphorn‡	128	12[redacted]	81	20.80	Wyevale Gdn.
Douglas (R.M.)	509♣	4[redacted]	520	[redacted]	Tilbury Grp.
Hawker Siddeley	724§§	744	640	1.43bn	BTR
[redacted] Exp.	311*	307	300	60.54	[redacted]
Invergordon	275*	276	[redacted]	[redacted]	[redacted] Mackay
Macarthy	[redacted]	287	188	[redacted]	Grampian Hldgs.
[redacted] Elect.	[redacted]	57	51	[redacted]	Williams Hldgs.
Sovereign [redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Torday [redacted]	92§	104	[redacted]	13.85	Dowding [redacted] Mills

*All cash offer.††Cash alternative. §For capital not already held.‡Unconditional.**Based on 2.30pm prices 11/10/91. †At suspension. §§Shares and Cash. ♣For 20.6% not already owned. ♣ Shareholders can choose to accept a cash offer worth 498p for each Douglas share for up to 40% of individual holdings. ♣ Based on estimated FAV of ASIT

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per [redacted] (p)		Dividends* per [redacted]	
[redacted]	Jul	[redacted]	[redacted]	[redacted]	(13.41)	[redacted]	[redacted]
BM Group	Jun	[redacted]	(23,100)	28.1	[redacted]	[redacted]	[redacted]
Cooper Clarke	Apr	274 L	[redacted]	-	(8.74)	0.5	(4.5)
Countyglen	[redacted]	[redacted] L	(464)	-	(11.5)	-	(-)
Creston	Jun	[redacted] L	[redacted] L)	-	[redacted]	-	(1.0)
Eagle Trust	Dec	9,500 L	(7,550 L)	-	(-)	-	(-)
Estates [redacted]	Jun†	1,080	[redacted]	n/a	(7.47)	7.5	[redacted]
Halstead (James)	Jun	[redacted]	[redacted]	[redacted]	[redacted]	11.25	[redacted]
Int'L [redacted]	Apr	715 L	(2,380 L)	-	(-)	-	(-)
[redacted]	Jun	[redacted]	(5,410)	9.84	[redacted]	[redacted]	[redacted]
[redacted] Repro.	Jun	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	(3.0)
Pegasus Group	Jul	[redacted]	(2,550)	[redacted]	[redacted]	[redacted]	(42.1)
Pochins	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	(24.0)
[redacted]	Jun	[redacted] L	(51)	-	(-)	-	[redacted]
[redacted] (William)	[redacted]	[redacted]	[redacted]	[redacted]	(17.1)	[redacted]	[redacted]
[redacted]	Jun	6,510	[redacted]	4.88	[redacted]	2.8	(2.25)
Wehmiller (Barry)	[redacted]	[redacted]	[redacted]	10.1	(27.0)	[redacted]	[redacted]
[redacted]	Apr	[redacted]	[redacted]	5.29	[redacted]	[redacted]	[redacted]

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim [redacted] per share (p)	
[redacted]	Aug	[redacted] L	(4,100)	[redacted]	[redacted]
[redacted] Reed	Aug	639	(905)	[redacted]	(3.0)
SNB [redacted]	Jun	1,280	(2,520)	[redacted]	(1.5)
Barlows	Jun	111 L	[redacted]	[redacted]	(0.625)
[redacted] (Percy)	Jun	8,330	(7,830)	[redacted]	[redacted]
[redacted] Group	Jun	403	(430)	[redacted]	(0.4)
[redacted]	Jun	5,200	(7,140)	11.0	[redacted]
[redacted] Regl [redacted]	Jun	248	[redacted]	[redacted]	(0.3)
[redacted]	Jun	16 ●	(27 ●)	-	(-)
[redacted]	Jun	5,140	[redacted]	[redacted]	[redacted]
Freeman [redacted]	Jun	62 L	(1,230)	[redacted]	[redacted]
[redacted] (DC)	Jun	2,830 L	(1,050)	-	[redacted]
[redacted]	Jul	377	[redacted]	[redacted]	[redacted]
[redacted] Europe	Jun	[redacted] L	(615)	[redacted]	[redacted]
[redacted]	Jun	213	[redacted]	[redacted]	[redacted]
Helical Bar	Jul	[redacted] L	(1,690)	[redacted]	(2.4)
Hi-Tec [redacted]	Jul	3,740	[redacted]	[redacted]	(1.5)
IRG	Jun§	763	[redacted]	1.75	(1.75)
Johnston [redacted]	Jun	1,250	(2,840)	4.5	(4.5)
Landu	Jun	173 L	(117)	-	(-)
London & [redacted]	[redacted]	-	(-)	[redacted]	[redacted]
Martin Currie	Aug	118 ●	(17 ●)	-	(-)
Mid-States	Jun	2,330	[redacted]	[redacted]	(0.75)
Monarch [redacted]	Jun●	1,880 L	(3,760 L)	-	(-)
NMW [redacted]	Jun	278	(210)	-	(-)
[redacted] British [redacted]	[redacted]	[redacted] ●	(419 ●)	[redacted]	(0.37)
OS [redacted]	Jul	3,610	[redacted]	1.45	(1.31)
Quadrant Group	Aug	940	[redacted]	[redacted]	(1.65)
[redacted] & U [redacted]	Jul	1,680	[redacted]	[redacted]	[redacted]
[redacted] TV	Jun	1,180	[redacted]	[redacted]	[redacted]
Second Market Inv.	Jun	[redacted]	(146 ‡)	-	(-)
Time [redacted]	Jul	3.04	[redacted]	[redacted]	(2.85)
Transfer Technology	Jun	2,130	[redacted]	[redacted]	(0.1)
United [redacted] Serv.	Jun	1,420	(421)	1.0	(-)
[redacted]	Jul	2,780	(4,050)	1.2	(1.2)
Walter Lawrence	Jun	2,360	[redacted]	[redacted]	[redacted]

(Figures in parentheses [redacted] for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L = loss. † = This years figures for 18 months. § = Figures quoted in Irish pounds & pence. ● = Figures quoted in US dollars. ‡ = Net profits. ● Net Revenue.

RIGHTS ISSUES

Avonmore is to raise £30.89m via a 1/4 rights issue at 91p.
MB-Caradon is to raise £149m via a 1/6 rights issue at 205p.
Wehmiller (Barry) is to raise £12.9m via a 1/4 rights issue at 140p.

OFFERS FOR SALE, PLACINGS & INTRODUCTIONS

Fidelity European Values is to raise £80m via a placing and offer-for-subscription on the main market.

RESULTS DUE

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Castle Communications	Thursday	4.0	4.5	4.0
European Leisure	Monday	0.5	1.2	0.5
Fisher (Albert) Group	Thursday	1.5	1.85	1.75
Highland Distilleries Co.	Monday	1.2	3.6	1.38
Kalamazoo	Monday	-	1.0	0.5
Lloyds Chemists	Tuesday	0.78	2.00	1.17
Lucas Industries	Monday	2.1	4.9	2.1
Lyles (S)	Monday	1.5	2.55	1.5
MY Holdings	Thursday	0.55	-	-
McKitrust	Monday	-	-	-
Paterson Zochonis	Tuesday	2.05	7.4	2.15
Prestwick Holdings	Monday	0.5	1.0	0.5
St. Ives	Tuesday	1.5	3.5	1.5
Tay Homes	Monday	1.2	3.6	1.2
Thorntons	Wednesday	1.1	2.2	1.2
INTERIM DIVIDENDS				
Boot (Henry) & Sons	Thursday	7.0	18.0	–
Britannia Group	Monday	1.9	1.1	–
Brooks Service Group	Thursday	1.84	3.01	–
Brown (N) Group	Tuesday	1.85	4.0	–
Chepstow Racecourse	Thursday	–	1.0	–
Contra-Cyclical Inv Trust	Friday	–	–	–
Doeflex	Monday	1.32	2.7	–
Downiebrae Holdings	Friday	–	[redacted]	–
Elswick	Tuesday	0.22	0.38	–
English National Invest. Co.	Thursday	2.85	8.75	–
Essex Water	Wednesday	–	–	–
Farnell Electronics	Tuesday	2.5	3.0	–
Garrard & National Holdings	[redacted]	6.08	[redacted]	–
Govett Oriental Inv Trust	Thursday	0.75	[redacted]	–
HTV Group	Friday	1.5	[redacted]	–
Hall's Homes & Gardens	Friday	1.00	–	–
Halene	Monday	0.65	1.38	–
Hunting	Thursday	4.0	6.0	–
Le Creuset	Friday‡	0.13	0.26	–
Lilley	Wednesday	1.0	1.5	–
London Atlantic Invest. Tst.	Tuesday	0.72	2.08	–
Mezzanine Cap & Inc Tst 2001	Friday	7.00	7.50	–
Owen & Robinson	Friday	0.15	–	–
Palma Group	Monday	–	–	–
Polymark International	Tuesday	–	[redacted]	–
Roskel	Monday	[redacted]	3.0	–
Silentnight Holdings	Tuesday	2.25	[redacted]	–
Smith (James) Estates	Thursday	1.10	2.20	–
Suffolk Water	Wednesday	–	16.25	–
Value & Income Trust	Friday	1.35	1.38	–
Venturi Investment Trust	Monday	1.31	[redacted]	–

*Dividends are shown net pence per share and are adjusted for any [redacted] scrip issue. ‡ = Figures quoted in French Francs.

هكذا من الأصل

FINANCE & THE FAMILY

Diary of a Private Investor/Kevin Goldstein-Jackson

Why the Scottish Mutual board must go

I HAVE BEEN one of the owners of Scottish Mutual Assurance Society since 1978 when I first contracted a with-profits policy with the [illegible].

I was therefore surprised to read newspaper headlines on September 26 stating: "Abbey to buy Scottish Mutual." They implied that it was a foregone conclusion that the society was being taken over by Abbey National. Only [illegible] half-way through the [illegible] was it mentioned that although "the purchase" had been negotiated, it was still subject to approval by at least 75 per cent of Scottish Mutual's with-profits policyholders, the owners of the society.

Even then, Abbey National was quoted as stating that although [illegible] expected some opposition, the company was "confident" [illegible] would gain the necessary approval.

I believe the owners of the [illegible] should reject the Abbey National offer and throw [illegible] the entire board of Scottish Mutual directors.

On October [illegible] I received takeover documents, dated October 7, which Scottish Mutual had deigned to send me.

Scottish Mutual has always seemed to be rather reluctant to tell its owners about its management operations. If it was [illegible] public company, rather than [illegible] mutual life assurance society, it would be compelled by law to send [illegible] *owners annual reports*, [illegible] ments allowing them to vote at annual general meetings [illegible] owners could, if they wished, vote against the election to the board of various directors.

Instead, as [illegible] mutual company, *supposedly owned, managed and oper*-[illegible] solely for the benefit of its [illegible] ers (the with-profits policyholders), the society – like a number of other mutuals – just places small advertisements in a few newspapers to advertise the date, place and time of the *annual general meeting and does* [illegible] automatically send out its [illegible] report.

It is time this law was changed.

If, like me, one of the owners of the society required an [illegible] report, it is necessary to write to the society and request one. Under the Insurance Companies Act 1982, the society [illegible] then obliged to send the report to any *policyholder who requests one.*

Looking at recent annual reports reveals that while companies generally have been "slimming down" the society, which employed 942 staff in 1988, [illegible] employes 1,012. Management expenses, which were £27.45m in 1988, were £31.71m in 1990.

New business has fallen off sharply – from 56,630 [illegible] in 1988 to 27,990 policies in 1990, although the [illegible] premium income increased [illegible] £123.91m in 1988 to £157.99m in 1990.

The misguided provisions of the 1986 Financial Services Act and some *of the* [illegible] regulatory authori-[illegible] has meant that it has become much more difficult for the smaller insurance companies to remain independent. As the ranks of independent financial advisers become fewer and fewer, with more advisers becoming *"tied" to particular companies, societ*-[illegible] like Scottish Mutual appear to [illegible] their business at reasonable cost.

Perhaps if the society's directors had chosen to use the annual report as [illegible] promotional [illegible] new business from its existing policyholders – and automatically sent them a report – they might have attracted more cost-effective business.

The 64-page offer document states that the board of directors of Scottish Mutual is convinced that the Abbey National takeover "is in the best [illegible] of policyholders." Yet nowhere in the document *does it state* what, [illegible] any, effort [illegible] made to attract higher bids for the society.

The document [illegible] that Abbey National "has already" paid £285m to the society in anticipation of the takeover's success. [illegible] much would another company have paid?

Seven of the society's non-executive directors will become directors of the Abbey National subsidiary making the takeover offer, if the bid is successful.

The offer document shows that with-profits policyholders would gain a "bonus" from Abbey National but *they would no longer be entitled to all* the profits of the society. There would also be an annual management charge deducted from the society's fund.

While the document does consider the possibility of closing the society to new business, *it does not consider* taking advantage of the fact that some other mutuals are suffering in a similar fashion. If Scottish Mutual sold its branch network (perhaps to another insurer) and ceased to accept new business, then all the company would need is [illegible] fairly small head office and not too many staff. If one or *more other* mutuals wished to follow suit, they could – while keeping the investment funds separate – share administrative costs of paying death and other benefits and thus reduce costs (to the benefit of policyholders) still further.

The nine Scottish Mutual directors, all of whom live in or near Glasgow, have called [illegible] special general meeting *of the society's members/owners for* 10.30 am on Monday, November 11.

This may be convenient for the *directors.* It is not very helpful for many of the 175,000 members who do not live in Glasgow. British Rail is notorious for its engineering works and delays on Sundays – the day when many policyholders in England and elsewhere will have to start their journey *in order to be in Glasgow by* that time.

I hope policyholders will vote to *reject the takeover and request* [illegible] emergency general meeting to throw out the directors for agreeing to such a bid and for treating the owners of the society in such a poor way. With-profits policyholders *own* mutual insurance companies: they should exercise their ownership rights.

How to . . . find a stockbroker

Speak to your friends

***Scheherazade Daneshkhu** [illegible] the merits of personal recommendations*

YOU MAY have accumulated, [illegible] inherited, [illegible] sum of [illegible] know that you should probably invest it in the stock market. But you have no clue where to start.

How do you find a [illegible] ker who can [illegible] your [illegible] There [illegible] basic types. An *advisory* broker will suggest [illegible] *to buy or sell a particular stock* [illegible] will comment on your suggestions. He cannot deal [illegible] your behalf without first contacting you.

If you want to hand over investment decisions [illegible] pletely, you can do so to [illegible] *discretionary* broker who will manage the portfolio on [illegible] behalf. Since it [illegible] comprehensive service, it is also more costly.

Which you choose depends on [illegible] lifestyle and [illegible] degree to which you wish to be involved with the portfolio. If [illegible] or [illegible] little about the stock market, a discretionary broker should be the more suitable.

■ Cost. There are two ways in which you will be charged. The [illegible] discretionary brokers is to charge an annual fee, based on portfolio size.

[illegible] are paid by charging a percentage commission each time they deal. Larger deals usually cost less. The sort or rate you might expect to pay is 1.65 to 1.85 per [illegible] on deals of roughly [illegible]

The argument in favour of [illegible] that [illegible] incentive to [illegible] "churn" [illegible] account – buy and sell unnecessarily in order to obtain commission.

However, even a fee-based system can have its drawbacks – the broker could happily put his [illegible] in the knowledge that he [illegible] being paid for handling your account anyway. Brian Tora of Greig Middleton & Co, believes the best system is smaller annual [illegible] combined with smaller commission charges. [illegible] broking firms, however, [illegible] opposed to fees, since they incur VAT, [illegible] commission.

Shearson Lehman Brothers, [illegible] US securities firm, charges 0.5 per cent for its large clients, with a portfolio of roughly $1m. Clients with smaller portfolios pay around 2 per cent. This is an all-in fee, giving Shearson Lehman no incentive to churn.

■ Performance: You [illegible] ask a broker to prod[illegible] his performance figures [illegible]t firms usually argue that no two portfolios are the same, because of the client's preferences for safety and income. If possible, examine other funds which the company manages such as investment or unit trusts. If these perform well, that gives an indication of the firm's fund management abilities.

■ Size: Some brokers are distinctly sniffy about the clients they take on and insist on a substantial portfolio. Others say there is no minimum but it is [illegible] really worth approaching them unless [illegible] have £20,000 – and then you will probably be placed in unit or investment trusts. It is not a good idea to take small business [illegible] large [illegible] broker – you may pay more commission and [illegible] minimum level [illegible] your maximum, you are unlikely to be [illegible] priority customer.

■ Service: Although most business with the broker will be done [illegible] telephone, [illegible] Cobb, chairman of the Associa-[illegible] of Private Client Investment Managers and Stockbrokers, (Apcims) believes *personal contact is important* and that the client should meet the broker before handing over business.

Take advantage of the meeting to ask detailed questions about how the broker's charges are structured and what [illegible] vices his commission or fee covers. [illegible] it [illegible] dividends and tax return [illegible]mation? Are there other charges? If money is held in a nominee account, is *it* earning interest and at what rate? Does the company have insurance for [illegible] clients and if so is this also included?

Check too that you will be dealing with one person and note their experience.

If [illegible] broker is too cheap, there may be [illegible] catch. John Cobb warns that investors get what they pay for. In stockbroking terms this can mean the difference between a lazy and an energetic broker.

Check on your portfolio if it is managed by a discretionary *broker to make sure that the* firm is not getting rid of shares *it does not want by dumping* them into your account.

■ Where to look: The more reliant you are on your broker, the more important it is that he or she should be someone whose judgment and abilities you can trust. For this reason, there is *no better* way to find a good broker than through the recommendation of a friend. Otherwise, write to the Stock Exchange for its Private Investors' Directory which it will send free.

Specialist financial publications such as *Investors Chronicle* (part of the FT group) also list details of some *private* client stockbrokers including commission rates, minimum amount traded and other services offered.

■ What they will want to know about you: You will have *to sign a client agreement* letter with an advisory or discretionary brokers. It provides the firm with the client's earnings, tax position and number of dependents. It will also set out the client's risk strategy – do you want income or growth or a mixture of both? The client can put in exclusion clauses, such as stipulating that he does not want investments in a company with South African assets or unit trusts because of their relatively high charges.

All brokers will refer their clients to the Mutual Reference Society, [illegible] Exchange credit checking system.

Finally, any broker worth his salt *must* be *authorised* under the Financial Services Act. He could be regulated directly by the Securities and Investment Board, or by one of the self-regulatory bodies such as the Securities and Futures *Authority (SFA) or the* Investment Management Regulatory Organisation (Imro).

Failed firms pensions fear

A HUGE company pensions tangle has been gathering in the wake of the 52,000 *business failures in the UK* last year.

Insolvency practitioners and pensions investigators say that the legal distinction between company and pension fund assets is often disregarded. In the struggle to save their companies, directors, who may also be trustees of the pension fund, are using any cash flow available, including pension contributions.

Some of the accumulated problems may take years to resolve, with liquidators, trustees, insurance companies and different government departments all involved.

Pension scheme members are sometimes left without *adequate information and* are practically powerless to influence events surrounding what may be their biggest single investment.

Those who approach the Occupational Pensions *Advisory Service (OPAS)* for help may be dismayed by the advice they receive – to be patient and to wait and see – especially if the delay has already taken them past retirement age with no pension payment in sight.

Some people may also receive less than is due if the scheme fund cannot meet its *liabilities.* Technically, company pensions do not rank as investments so do not qualify for investor compensation.

The Department of Employment can make recompense for *up to one* year's worth of employee pension contributions which have been deducted from salaries but not paid into a scheme. However, it will only step in after possibly lengthy claims against the company for the money have failed.

At OPAS, Terry Brand said *that the service had lately* seen a vastly increased workload associated with the number of businesses failing. *The service's London office* received 739 "difficult" cases in the four months to the end of July against 727 for the previous full year ended in March.

One of the latest complainants is an engineer who retired from CTU Ltd just a month before the company went into liquidation in June.

When his pension payments failed to start, the engineer wrote to Eagle Star and brokers Allied Provincial, knowing that they were associated with the scheme, *but was referred back to the* trustees.

"This is not deliberate secrecy, but simply that nobody knows what the position is," said the OPAS officer detailed to handle the case.

The OPAS officer explained that the scheme was to be wound up but because the company was in arrears with its contributions, there was likely to be a shortfall in the fund. Eagle Star's calculation of the money available to meet the pensions was being held up by a dispute over conflicting *DSS* and company records over the amount of guaranteed minimum pension due to each individual which would have to be settled "and this always takes time".

"You can be by no means sure that your pension entitlement will be met in full," added OPAS, noting that the contributions arrears might be claimed against the receiver "although whether (the trustees) will be helpful is another matter".

"The attitude seems to be sit back and wait," said the engineer, "*But at my age,* that's no good."

Barbara Ellis

Directors' Transactions

DIRECTORS in Arlen Group, the electrical company, have sold at a 30 per cent *profit* holdings that they bought only six weeks ago.

Some of the other sales are remarkable in their size, with non-executive director E. S. Lambert selling shares to the *value of £3.2m in Saatchi* and Saatchi. He obtained the shares at a lower price in April as part of the company's reconstruction.

Both Charles Baynes and Microfocus shares have *doubled* since [illegible] turn of [illegible] year with directors taking [illegible] profit. The a[illegible]ent sales in Quiligotti, [illegible] directors accepting a cash offer for the company.

The purchase by two *directors* in Microgen Holdings is a *substantial* deal. There has been a boardroom reshuffle with Patrick Barbour becoming deputy chairman.

There is a nice irony in the [illegible] in the table of a purchase of shares in Mountleigh Group by Sir Ian McGregor, the new chairman. *It* was the *sale* of a *substantial* sling of shares by Nelson Peltz and Peter May, shortly before a rights *issue, that provoked* recent Stock Exchange criticism. Messrs Peltz and May resigned from their executive posts last week.

We are s[illegible] definite return [illegible] in the *property sector,* as *illustrated* by a substantial purchase by Greycoat's chairman.

Angus MacDonald, Directus

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Shares	Value	No of directors
SALES			
Abbeycrest	751,000	811	2
Amec	1,000,000	2,200	1
Arlen	*50,000*	10	2
Baynes (Charles)	2,000,000	1,340	3
Black (Peter)	1,100,000	1,430	2
EIS	25,404	102	3
Fairey	7,500	24	1
Greenalls	25,000	92	2
Ibstock Johnsen	250,000	236	1
Microfocus	186,950	3,061	4
More O'Ferrall	63,000	173	2
Quiligotti	1,474,615	472	3
Saatchi & Saatchi	22,144,357	3,211	1
Shorco	22,190	18	1
Trinity Int'l	44,830	119	1
Wholesale Fittings	80,000	274	2
PURCHASES			
Abbey National	4,000	12	1
British Aerospace	3,500	15	1
Derby Tst Cap.Share	5,000	10	1
EIS	4,500	18	1
Greycoat (CRP's)	230,000	161	1
Huntingdon Intl ADR	10,000	$175	1
Manpower ADR's	15,000	$168	1
Microgen	351,683	573	2
Mountleigh	500,000	70	1
Nat. Westminister	3,000	11	1
New London	225,000	32	1
N'umbrian Fine Food	21,000	10	3
Quicks	36,000	24	1

Value expressed in £000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a *director*. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 30 September-4 Oct 1991.

Source: Directus Ltd, Edinburgh

MINDING YOUR OWN BUSINESS

A cool head who sets store by experience

Nick Garnett meets [redacted] shopkeeper who began [redacted] bus conductor

"IF YOU ARE going into business you don't want to get involved with too many things you know nothing about. [redacted] better [redacted] for [redacted] else and get the experience first."

Well, Abdul [redacted] hardly practised what he preaches. But that has thrown up few obstacles in his metamorphosis from bus conductor on £5 a week to the head of a mini-retailing empire [redacted] yearly sales of £3m.

"I've [redacted] a cool head," [redacted] the 54-year-old Gujerati. What he also has is loan borrowing from the Leeds branch of the Bank of India based on a ratio to collateral no British bank would accept.

Bombay Stores in Bradford, West Yorkshire, an emporium the size of a small Asda, is crammed with the kind of Asian clothing whose general gaudiness is familiar to everyone – racks of feather touch chiffon, georgette sarees, fancy embroidered scarves called duppattas, "pyjama" tops known as Shalwar Kameezes. Amid the colour riot of Pashmiran silk and Shang Tung are bangles at 50p a bunch, stacks of Asian cassettes (*Greatest Hits of Nirmal Udhas, Volume 1*) and piles of Indian magazines of the sultry, heaving bust variety. "She snatched me from my previous girl friend," says the latest front cover of *Stardust*. "Raveena's ex-lover [redacted] her."

This [redacted] kind [redacted] material read by many [redacted] Asian [redacted] whose Yorkshire [redacted] as Geoff Boycott's. "We cater principally for the Asian community and they come here from within a 40-mile radius because there is no shop like it," says Kader. "That's why I'm winning."

Bradford, whose population includes [redacted] of Asian descent, [redacted] a [redacted] city. The middle class has largely fled the heart of the conurbation and Bombay Stores' very low cost goods like toys and cutlery, as well as the clothing material which [redacted] up 95 per cent of sales, also attracts non-Asian clientele.

Kader came to Britain in 1957 at 21 with little education, no friends or relatives in the UK and £50 in his pocket. Six years later he had enough money to put a deposit on a £1,400 former [redacted] chip shop. He worked a double shift on the buses every day while his wife, Maryam, worked simi[redacted] hours in the [redacted] making dresses.

A National Westminster Bank overdraft [redacted] £20,000 in the mid-1960s kept this going and the shop next door was [redacted] in the [redacted] the early 1980s, Kader was turning over £5,000 a week mainly by selling imported material.

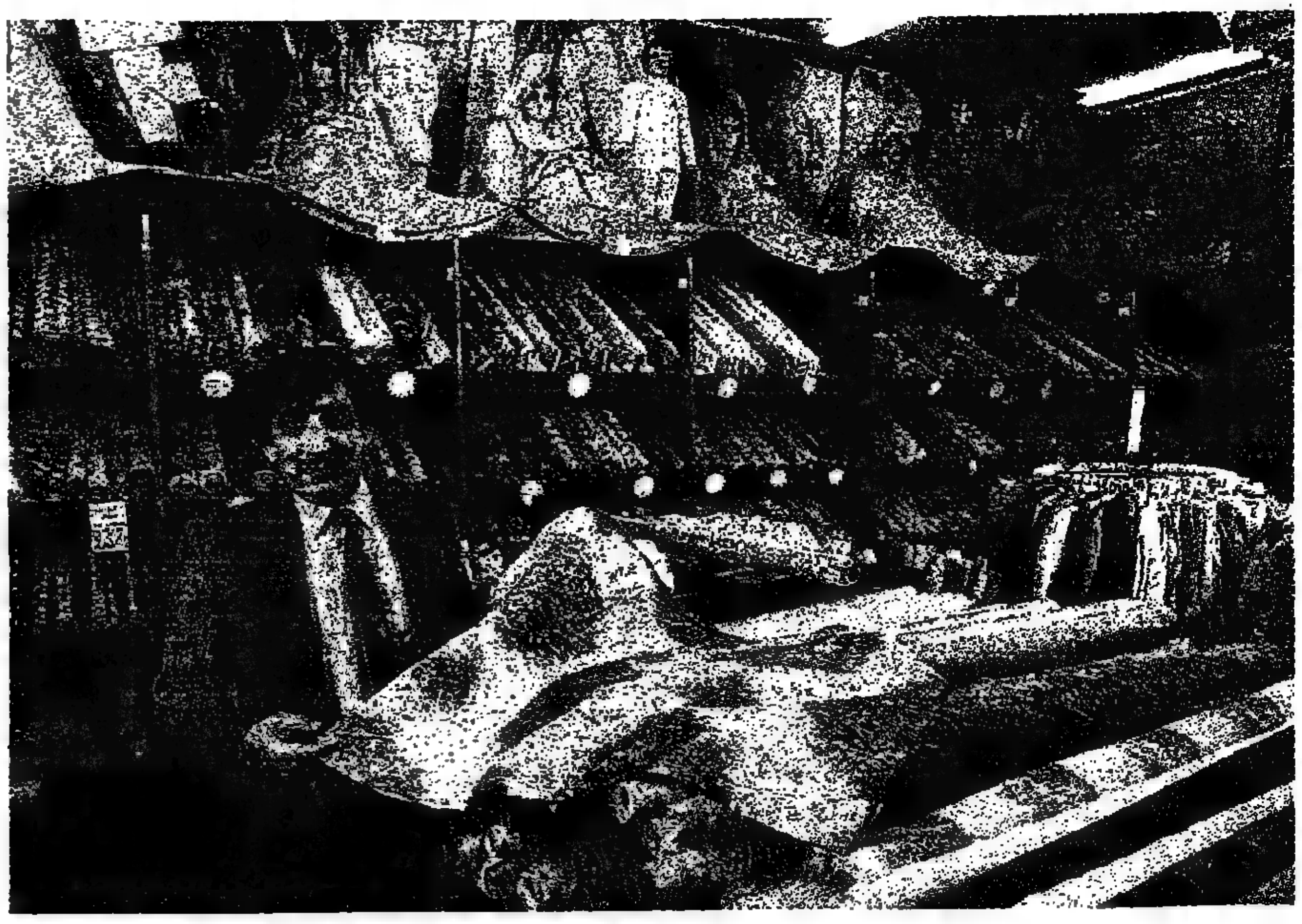
A widely held perception is that Asian businesses, except [redacted] property empires, are not built on borrowing. In fact, many [redacted]. Eight [redacted], Kader purchased for [redacted] in Bradford with 40,000 sq ft of space in 2.5 acres. He had his first business and about £20,000 in collateral but that, he says, was not enough to secure the required [redacted] from NatWest [redacted] bank.

The Bank of India in Leeds, 10 miles away, was prepared to loan him £200,000, however, partly on the basis of his record. With Bombay Stores holding £1m in stock that loan rose to £700,000 before falling this year to £500,000. Last year, Bombay Stores paid £120,000 in interest alone and insurance, partly to cover the loan, cost a further £15,000.

What makes the business tick is volume rather than spectacular profit margins. Kader says that last year the company managed a gross profit of close to £400,000 on its £3m turnover and a net profit before tax of just £100,000. "People do not have much money in Bradford. They want low cost items."

One of the most surprising aspects of the business is that Japan is [redacted] lower cost volume supplier of sarees than India. "Basically a saree is made from piece of material six yards long [redacted] four [redacted] buy from Japan you need an order of at least 1,000 yards in one colour or pattern. They may be making [redacted] 10,000 yard run of that for Saudi Arabia and just tag on 1,000 yards for us. But Indian suppliers will do a 50 yard run."

Bombay Stores uses agents in Japan, Pakistan and India and, [redacted] recently, [redacted] made two trips [redacted] year to Japan as well as more regular visit to other parts of Asia. "You can get a [redacted] ticket through Air India with a face value of £1,640 for £600." Kader's son, Saleem, does much of the travelling now.



Cheap and cheerful: Abdul Kader has built a turnover of £3m in his Bombay Stores in Bradford selling Asian clothing and goods

[redacted] no notice [redacted] the [redacted] in [redacted] company's employment of [redacted] full time and 10 part [redacted] also [redacted] Muslims, selling [redacted] (veils) and [redacted] write properly in English. He hopes to retire in Bombay and is not comfortable living in Bradford. The Yorkshire city though has been good to him. He has a house for which he paid £310,000 two years ago in a city where you can buy a terrace home for £30,000. "We can get 50 cars on the driveway and the garden is big enough for a party of 400 people."

What he does not have is a Rolls Royce. "I would like one but I've looked all around me and I haven't seen one person in Bradford with [redacted] Rolls. So I think it would not be good for me to have one. I'll keep the Rover."

■ *Bombay Stores, [redacted] Bradford, West Yorkshire. Telephone [redacted]*

Computing/David Carter

The easy joys of the package deal

MANY PC users find that an integrated package offers the best route to getting started with a computer. A single package contains a family of applications: usually a word processor, a spreadsheet and a database. These are all designed to operate in the same way, so once you have mastered one module you are already half way to understanding the others.

This is ideal for the occasional user. Suppose you want to use the word processing module regularly but the spreadsheet only once a month. When you return to the spreadsheet after a month's absence your knowledge of the word processor helps you remember how it works. If [redacted] were using two different packages [redacted] month's absence would probably [redacted] made you so rusty that you would need to relearn the spreadsheet from scratch.

Another advantage is that in order to squeeze three or four packages into [redacted] the designers have to cut down the features. This healthy concentration of the mind means that they only include the basic features you really need, leaving [redacted] the mass of esoteric functions which clutter up the expensive big-name packages. The result is often a clean, simple package which is easy to use and, apart from accounting, will supply all the computing needs of most users.

One of the pioneering integrated packages was PFS-First Choice, from Software Publishing Corporation. Now on version 3.0, and with [redacted] claimed 500,000 users, First Choice has always been [redacted] front-runner in [redacted] US market. In the UK it [redacted] well-known. Earlier in the year [redacted] Publishing allied [redacted] with Spinnaker. SPC [redacted] on the corporate end of the marketplace, leaving Spinnaker to target the small business/self-employed consultant sector with products such as First Choice and its companion, First Publisher. [redacted] price [redacted] £159. Spinnaker [redacted] support in perpetuity.

I have to confess to being prejudiced in favour of SPC products, because I know that exploring the package for the first time will be a pleasure rather than the usual tale of struggle and frustration. With one reservation the tutorial is normal SPC standard – superb. It is cunningly put together so that it takes an hour or two to work your way through the principal features. As the owner of a small hot-air ballooning company, you use the [redacted] processor to [redacted] letters to customers, the database to keep track of reservations and the spreadsheet to budget monthly income and expenses.

The word processor in First Choice is admirably clear and does all the basics. There are facilities to print mailing labels and standard letters, and also to produce slides for presentations (by printing out on acetate with a laserjet printer).

Curiously, though, it seems limited in its use of fonts and pitch sizes – there seems no obvious way of setting it to print a letter in characters 12 to the inch.

The database is a simple flat-file database suitable mainly for keeping names and addresses. Defining a database is simple – you just design the data entry form on the screen. After keying in the records you have a "table view" facility to browse through them all on the screen, and it is easy to design your own printed reports.

The spreadsheet is clear and easy to use – perfectly adequate for producing budgets or cashflow forecasts – but the numbering system is clumsy. A cell which on most spreadsheets would be E11 is numbered R11C5 in First Choice. On the other hand, First Choice is particularly good in File Management – a weakness in many integrated packages. The "Directory Assistant" even shows the different subdirectories you have within the main directory and allows you to explore them without having to Exit the program and go into DOS. Busy users who produce many letters or spreadsheets will find this invaluable for keeping their files organised and easily accessible.

With the now standard format of pull-down menus leading from a menu bar across the top of the screen, First Choice is a first-class all-round product, admirably suited to the needs of the basic user. My one complaint is that, unlike most SPC packages, the tutorial does not include an advanced section. The tutorial is excellent as far as it goes. If only it went further. Even so it gives the novice sufficient help to master those all-important first steps.

This is the difference between First Choice and Microsoft Works, which I discussed last week. Feature for feature, Works is perhaps better than First Choice, although both are fine packages. But after a couple of hours of his first session the First Choice beginner will already have tried out the word processor, database and the spreadsheet, and have a basic idea of how they work and will be well on the way to being productive. The Works beginner by contrast will still be struggling to make sense of the package.

■ *For information on Spinnaker telephone 0604-832833.*

■ *David Carter is a consultant in small business computing tel: 0727-55996.*

Sucking at the mama state

Robert Graham on the contradictions of modern Italy

ABOVE THE noisy chatter of a Roman [illegible] a voice could be heard saying: *"Ciao, Mama!"*

Instead of a devoted son rising [illegible] his mother, there was a young man talking into a mobile phone while his free hand [illegible] a female companion. I had always regarded Italian society, especially south of Florence, as highly matriarchal and, on returning to live in Rome after a [illegible] 16 [illegible], it was reassuring to witness such a scene the very first night. Only the forms [illegible] have changed.

After a few days back in this beautiful city, which has long made a virtue out of decadence, it is clear [illegible] not all the forms have changed [illegible]. The [illegible] matriarch, the great mama state, is very much in [illegible].

Italians are still greedily sucking this [illegible] breast in thousands of legal ways: [illegible] for life, indexed [illegible], discounts, subsidies and [illegible] pensions. The [illegible] is [illegible] abused; from illicit tapping [illegible] electricity supplies [illegible] the 16 civil [illegible] found receiving [illegible] – on the [illegible] they were working 29 hours a day.

Following the collapse of communism in [illegible] Europe, it is quite common to hear more cynical [illegible] saying: "Italy is the [illegible] country in the whole of Europe." The [illegible] of political power, [illegible] by the Christian Democrats and their cronies [illegible] World War, is the [illegible].

But if Italy [illegible] a country where the [illegible] grants favours rather than guarantees rights, [illegible] altered considerably. Right [illegible] the [illegible] stall owner [illegible] seem to recognise [illegible] bounty is no longer limitless. Of course, no one wishes to be the first to be weaned and politicians are [illegible] to forego such a [illegible] system of patronage even if it is responsible for Italy's debt mountain.

[illegible] debt now exceeds GDP [illegible] time since 1924 (excluding wartime 1943). [illegible] in the 1970s [illegible] for state [illegible] came from political forces on the left, it now comes from the sheer [illegible] of restructuring public finances – [illegible] the exigencies of [illegible]. The [illegible] debate has [illegible] from *if* [illegible] Italy would accept a [illegible] in government, a [illegible] almost [illegible] years, to whether [illegible] carry out the necessary [illegible] to the politico-economic system to remain in Europe's first [illegible] [illegible] to hold the system in place, rather like a ceiling supported by a rot-ridden oak beam.

Several acquaintances, aware [illegible] I have spent time in Spain, ruefully [illegible] that their [illegible] country [illegible] be fast embracing the [illegible] while Italy marks time. Such [illegible] underline a paradox. [illegible] ments of modernism surround much of Italian [illegible], emphasised by superb [illegible] design. The advertising industry for instance, is telling Italians, so fond of their leisurely [illegible] *fast food e [illegible] ano.*" Nevertheless important aspects of Italy are caught in a time-warp.

Many people who played a [illegible] in the creation of the "Italian miracle" more than [illegible] are still public figures. Giulio Andreotti, the 72-year-old prime minister, has [illegible] in government since [illegible] and was premier [illegible] in [illegible]; [illegible] Carli, the Treasury Minister, was [illegible] of the Bank of Italy from [illegible] and [illegible] Italy at the International Monetary Fund in [illegible].

Enrico Cuccia, at 83, is still doyen of the banking [illegible] and reasonably active at Mediobanca, the most important financial institution in Italian private banking; Giovanni Agnelli, aged 70, is still president of Fiat which he has been running since 1966. This gerontocracy also extends to the media and the arts.

The [illegible] popular weekly magazine, *TV [illegible] Canzoni*, is this autumn celebrating its 40th anniversary. It still peddles the same recipe of variety, television chat and interviews. Even the graffiti, such a lively Italian art when revolution seemed round the corner 20 years ago, retain phrases redolent of a bygone era when workers and trades unions regularly triumphed.

Admittedly, most graffiti now refer to football teams and street gangs. Perhaps this reflects a deeper contemporary reality. In the past two decades prosperity has filtered deep into society, although the old fault line of culture and wealth still separates north and south Italy.

The visible symptoms of prosperity are at times shocking. The charming Italian waiter turns out to be Egyptian. The dishwasher who drops the plates in the kitchen is Tunisian. House agents blithely point to a small backroom saying: "[illegible] do for the Filipina (*maid*)."

In the last ten years, Filipinas have taken over domestic service as Italians have become too expensive to employ. Anyway fewer Italians wish to do such work. The presence of large numbers of mostly illegal workers doing the dirty jobs has metamorphosised Italy. [illegible] under 20 years Italy has ceased to generate emigration [illegible] become a country with a potentially serious immigration problem. Up to 1m immigrants [illegible] the country and the Mediterranean has become Italy's Rio Grande.

Prosperity has made it easier [illegible] the grim [illegible] of political violence in the 1970s. These were the so-called "years of lead" *(anni di piombo)* when significant [illegible] of Italian cities became battlegrounds for an aggressive [illegible] ducted by the extreme left and [illegible] in kind by the extreme right. Today the left is unrecognisable, the once powerful Communist Party [illegible] changed its name and direction.

The chain of [illegible] shops, which not long ago [illegible] Third World [illegible] only [illegible] the approved [illegible] of the left, [illegible] with classics [illegible] on art, travel, physical fitness and cooking. The figure of Giangiacomo Feltrinelli, the wealthy [illegible] publisher, today [illegible] ever more quixotic. He accidentally blew himself up while trying to dynamite a pylon near Milan in 1972 in the name of an armed resistance movement obsessed by a right wing coup in Italy.

President Francisco Cossiga is attempting to commute the sentence on Renato Curcio, the intellectual leader of the Red Brigades, the best organised and most violent terrorist group of the left. The latter kidnapped, then assassinated Prime Minister Aldo Moro in 1978 and Curcio became Italy's public enemy number one. The president feels this man has paid his debt to society.

But memories are long. This is largely because the truth is so hard to pin down. In a system obfuscated by chequm (sic) and balances fact all too easily becomes fiction and vice versa. No story is truly buried. A communist partisan has just confessed to killing a priest in 1946, a crime for which another man was imprisoned for ten years; wreckage of the Alitalia jet which mysteriously exploded off Sicily in 1980 has just begun to be recovered from the sea. Was this a botched US attempt to take out Colonel Gadaffi? . . . Read on . . . The ghost of Roberto Calvi, the disgraced banker found hanging from Blackfriars Bridge in London in 1982, is haunting the stage with the [illegible] of new revelations.

The darker side to prosperity [illegible] crime. The more Italians have, the greater the precautions they are obliged to take to protect themselves and their possessions. In the early 1970s Italian men [illegible] shoulder bags, now they just carry [illegible] temporarily removed [illegible] the cars.

More menacing to the [illegible] of society is the [illegible] over the past two decades organised crime has expanded beyond its [illegible] strongholds in [illegible], [illegible] and Naples to [illegible] the [illegible] country. Its hold is now [illegible] brazen. The earnings are so huge they distort the entire picture of legitimate wealth. *"Il racket"* once used about Italians in the US has recently been imported to coin the whole gamut of racketeering activities.

The voices calling for a curb on the Mafia are louder today but the results remain elusive. Take the recent case in Trapani, in western Sicily, where [illegible] a year a [illegible] magistrate [illegible] debriefing a [illegible] Mafia member who decided to "sing" in [illegible] for immunity. The [illegible] provided names of prominent politicians allegedly dependent on the Mafia [illegible] delivering votes. [illegible] sooner had the names [illegible] made public than [illegible] investigation was [illegible] to another district on the grounds [illegible] the [illegible] was outside the magistrate's jurisdiction. The new investigation promptly absolved the most senior political figure impli[illegible], saying [illegible] had been a confusion with a [illegible].

[illegible] phenomenon of the young magistrate willing to take on the system emerged in the 1970s. Today their number has multiplied but their success rate has not. Here lies one of the great continuing contradictions in a country which seems to spawn contradictions. Rome was responsible for producing a corpus [illegible] law [illegible] provided the [illegible] of modern Europe's [illegible] of law. Yet in Italy today the legal system and the due process of law is [illegible] aspect of society which functions [illegible]. A recent study by the Interior Ministry showed that 47,303 prisoners [illegible] been released from jails because they [illegible] the legal time [illegible] laid down [illegible] being held without trial. [illegible] went on to [illegible] murder.

Most of Italy's [illegible] are more endearing. [illegible] ing again [illegible] the churches in Rome that house [illegible] the [illegible] by Caravaggio, I [illegible] the paintings to be as badly lit as ever. How perverse [illegible] Caravaggio, one of the great masters of light and shade, should be so poorly illuminated. [illegible] moral perhaps is [illegible] needs to carry their [illegible] torch if light is to be shed on Italy's [illegible] wonders.

'Even [illegible] market stall owner [illegible] that the [illegible] bounty is no longer [illegible]'

As they say in Europe

Of émigrés and Ruritanians

WHAT DO words mean? Looking [illegible] in [illegible] pers [illegible] other countries [illegible] question on [illegible] after [illegible]. [illegible] times it is really important – [illegible] problem over the word "federal" [illegible] causes [illegible] in Britain [illegible] is so attractive to much of the [illegible]. To [illegible] British "federal" emphasises the centralis[illegible] power, to their neigh[illegible] it [illegible] its [illegible].

The English like to [illegible] their language [illegible] that it has become a *lingua franca* which [illegible] international debate. But I have noticed no more widespread [illegible] of English in the columns of newspapers in Europe than [illegible] in [illegible] in the UK.

Now, the meaning [illegible] of such words, [illegible] which [illegible] national frontiers, is becoming a matter of [illegible] concern. To me [illegible]. In Italy [illegible] I [illegible] a sweatshirt inscribed "Derbyshire Country Cricket. South [illegible] Association. [illegible]" There [illegible] a picture of a cricketer adopting a [illegible] and [illegible] "SE." It was [illegible] how anybody could [illegible] produced something which almost had a meaning [illegible] just [illegible] in this way.

[illegible] travelling [illegible] are in [illegible] of [illegible] types. There [illegible] *émigrés* [illegible] Ruritanians. The *émigrés* are perfectly good words in [illegible] language [illegible] when they travel [illegible] gain [illegible] way. The [illegible] which [illegible] good, like my son's computer toy, "Game Boy" – [illegible] not [illegible] been invented by a [illegible] English speaker.

[illegible] spread of [illegible] and Ruritanians these days is just [illegible] in [illegible] English [illegible] neighbouring [illegible]. Take the following [illegible] which would [illegible] have been understood 20 [illegible] ago: "I took the Sierra down [illegible] *piazza* and picked up this bimbo with a [illegible]. We [illegible] and shared a [illegible] a couple of *pils*."

The [illegible] impact is fairly ghastly, [illegible] is no [illegible] ing that it [illegible] conjures up a series of consistent images. The [illegible] consists of the Spanish [illegible] for a moun[illegible], [illegible] word [illegible] "square" and another Japanese-English Ruritanian. "Bimbo" is the Italian for a small boy [illegible] in English [illegible] confusingly become an empty-headed, but not unattractive, girl.

[illegible] clause contains the remarkable [illegible] *"Häagen-Dazs,"* which is pure [illegible]. It was made [illegible] in America to seem Danish. I thought it was Hungarian, because of the "zs" combination. But a Hungarian told me it was Scandinavian, while the lady who answered the phone at the Danish embassy thought it was Dutch. There is, in fact, no language it could possibly be.

Pils is now a Euro-word based on the German name of a small Bohemian city and is an undefined strong lager beer in Britain. It is this kind of word that causes real trouble when it emigrates to Britain. [illegible] for example *dacha* and *machismo*. They are widely used in Britain by those who like to to think of themselves as well-educated and are systematically mispronounced as a result.

The British think the use of the English phonetic system is a sign of ignorance. But *dacha* has been transliterated from the Russian to be pronounced as it is spelt in English. Yet as often as not it is comes out as fake German, with a guttural *ch*, because that sounds more foreign. Similarly *macho* and *machismo* are Spanish. But Italian is more sophisticated so it emerges as *makismo* from educated mouths. In Italian, however, *machismo* pertains to the doctrines of the physicist [illegible] Mach, the fellow who invented airspeed – Mach One and so on.

Wilful mispronunciation for the sake of the sound is becoming widespread in English. The process is well known – look what [illegible] happened to "barasa." In France one finds a refusal to make any concession to an alien phonetic system. As a result many famous people might be unaware, listening to a French radio or television news bulletin, that an item is about them. Lech Walesa and the German president, Richard von Weizsaecker, are particular victims of this approach. Mozart is presumably turning in his grave.

Sometimes these *émigrés* return home. There is the well documented case of the word "budget" which came, for reasons which need not detain us, from the French word for candle, *bougie*. Now "budget" has now returned to France, with appropriate Gallic pronunciation.

And so we confront the problem of ordinary words in one language which are filthy in another, why Keats makes the [illegible] giggle and how a Pole can possibly say [illegible] is looking for a woman in Czechoslovakia. [illegible] will be for another

James Morgan

James Morgan is Economics Correspondent of the BBC World Service.

Gardening

A more beautiful way with bulbs

Robin Lane Fox is hooked on a new idea: that of planting in layers

OUTDOORS, the rain has put fresh heart into bulb-planters; at last, we can bury daffodils without breaking trowels on hard ground. Indoors, fresh heart has not been needed.

When faced with winter, even a semi-gardener can respond to the idea of hyacinths and cheerful narcissi in bowls. They can be planted on rainy days and semi-gardeners [illegible] always rest [illegible] they are most unlikely to come across a worm. By now, it is late to be planting hyacinths and too late to plant them for flowering at Christmas, but it is not too late to be planting with flair. I now realise that I have been timid and inefficient when planting bulbs indoors during the past 30 years.

It is not that I have been buying bulb-fibre when it is so easy, and much cheaper, to use earth and gravel from the garden. It is not [illegible] my hyacinths [illegible] ally flower without growing proper stems or that mice once played passage-football with the crocus Blue Pearl. It is that I never thought of planting in layers.

For years, I have only achieved a fraction of what is now being contrived by good gardeners in the know. I have been obeying rules which turn out to be silly inventions, the work of [illegible] were being puritanical, deep down.

The art of layering is simple and extravagant. [illegible] planting hyacinths in one bowl, tulips in another and [illegible] in [illegible] those dishes which are too shallow to use for a souffle, you plant the whole lot in one pot, like a family in bunk beds.

The late-flowering tulips go in the bottom; about an inch of well-fertilised soil covers their tips; then, the early [illegible] sit on top; then, another layer of soil allows you to put the crocuses, small irises or scillas in last, with a further layer about an inch thick to the surface of the pot.

Pots, [illegible] or designer-troughs need to be deep to take three layers, but the usual size of window-box can manage it and even the standard cache pot from Peter Jones can take two layers [illegible] passengers, not one.

The aftercare is no more [illegible] than in the old days of segregation. The compost or fibre needs to have been watered heavily before planting; the bulbs must be kept in a cool, dark place until the top layer [illegible] leaves [illegible] high; then, bring them all into the light, but preferably not into an over-heated office. Water and spray the leaves with a liquid fertiliser and remember to continue this treatment when the flowers have faded but the leaves are still green. The bulbs are no longer pleasing to the eye, but they are building up strength in a most important phase.

When I first heard about layering, I thought it was an insane extrava[illegible]. It sounded like impatient gardening, an invention of the [illegible] for people with money, not [illegible]. Surely the tulips would collide with the daffodils and the daffodils would dislodge crocuses? The layers [illegible] clash and the result would be a botanical sort of squash-ladder whose top rung of crocuses would feel threatened by an under-layer of narcissi trying to stick their noses up their backsides.

In fact, nature loves a tangle. Tulips wend their way round the chaos above them and anyway, pre[illegible] to be planted deeply. Daffo[illegible] [illegible] avoid [illegible] and nothing [illegible] ground.

Wonderful vistas have opened before us. In late January, you can enjoy the early crocuses in your window-box or pot indoors; when they fade, you can whisk them out by the roots and plant them elsewhere until they [illegible]. Meanwhile, the green noses of the nar[illegible] emerge and take over; when they are past their best, tulips emerge with a run from behind. The one compromise, I suspect, is that dead flowers and leaves must be cut down early on the second layer of three: otherwise, they mess up the tulips. [illegible] what is gardening in a bowl if not ruthlessness for the sake of decoration?

Practised layerers assure me that it all works. Women's Institutes are giving [illegible] on the subject; there are planting sessions with people who wear gloves; you can include hyacinths if you like, but I would find their leaves and dead flowers too heavy among a forest of fresh young jonquils or water-lily tulips on the move. At present, it is all a matter of experiment and commonsense as the ground-rules, so far as I know, have not been codified in print. The practice is spreading, although most experts ignore it.

The winners, meanwhile, are the theorists. We all remember those apostles of red-blooded competition, unfettered freedom, balance without intervention and forces which find their own level. They have lurched from one farce to the next, from debt-crisis to credit-crisis to the grand finale of the Great TV Franchise auction.

All along, they were right, but in an area which we did not realise. Their [illegible] applied admirably to indoor gardening: pack your bulbs in a mixed tangle, [illegible] them to fight it out; resist intervention and the result will be many times better than the [illegible] styles of the text-book. It may [illegible] work in the market, but it works in the dark of a cupboard beneath the stairs.

The art of picking good cotoneaster

Arthur Hellyer on the many varieties of a most useful garden plant

OF ALL autumn berry-bearing shrubs, none has produced a more varied range of [illegible] and sizes as cotoneaster.

It extends from ground-hugging plants such as Cotoneaster dammeri, which can spread over a considerable area and provide ideal weed control, to [illegible] as C. frigidus and the garden variety cornubia, which make [illegible] shrubs as much as 20 ft high. With a little pruning while still young some of these large kinds can be trained into small trees but, left to their own devices, they [illegible] much [illegible] multi-stemmed [illegible].

There are both evergeen and deciduous cotoneasters. Some of them, such as microphyllus and the very much smaller thymaefolius, have little rounded [illegible] quite large [illegible] which may be broadly oval or narrowly lan[illegible]-shaped with many intermedi[illegible] shapes and sizes. The flowers are [illegible] small but very numerous, white or tinged with pink and, for the most part, highly attractive to honey bees. The [illegible] are freely produced and usually [illegible] shade of red or crimson, although black also occurs.

All in all they are an attractive lot, easy to grow in most soils, with no fuss about the presence or absence of lime and no dislike so strong that it might prevent their being considered for a place in the garden. They are not even very fussy about sun or shade though shade should not be too dense or flowers may be few and berries even [illegible].

The only problem is that with [illegible] a wide choice, it can be difficult to decide what to plant. Of course size will be a determining factor: if there is little space [illegible] is no point in considering large cotoneasters and counting on pruning to keep them to scale when varieties are available as small as thymaefolia, which is naturally miniature and could be accommodated in a window box. Nevertheless all will stand a lot of pruning so far as health is concerned although it can mar their appearance.

A species named horizontalis has an extraordinary branch pattern like a series of large fishbones and this one also has a great readiness to mould itself to any hard object against which it is planted. Placed beside a wall it will fan [illegible] out of its own accord without needing any training or tying and it will slowly mount up and up and – much more rapidly – stretch itself sideways. But there comes a time when it will start to double up and then make a third layer of branches which can only [illegible] kept in [illegible] ing. I [illegible] just [illegible] my own plants a severe [illegible] ting [illegible] which was not [illegible] its appearance. [illegible] winter I will probably start over again with a new plant.

Like many other cotoneas[illegible] horizontalis is one that is easily propagated from seed. This often germinates of its own accord [illegible] several young plants are now available in my garden should I decide to replace my wall plant.

There is another species called C. franchetii, which is about as different in habit from C. horizontalis as one can imagine and even more ready to multiply itself from seed. The seedlings vary in subtle ways. All have long, rather thin and pliable stems which arch gracefully, quite unlike the stiffly angular habit of horizontalis. Its leaves are larger [illegible] evergreen but they can differ so much in size and shape that I sometimes wonder whether my original plant was not pure franchetii at all, but already mongrel to accidental cross-fertilisation with pollen from another species. Far from being disappointed about this, I am delighted for I am [illegible] pick and choose from among those [illegible] are least [illegible].

My favourite cotoneaster is one that was given to me under the name conspicuous decorus. I put it that way because I am by no means certain that the second name means very much. It seems to me that "conspicuous" is sufficient. This is a naturally variable species, particularly in [illegible] and [illegible] flower [illegible] fruit freely, and my friend gave me a very good plant in both these respects. Even more importantly, birds seem to dislike its bright red [illegible] so that they leave them alone even when winters are hard.

This is an evergreen cotoneaster, the leaves small and rounded and closely packed on the stiffly arching branches which gradually build up into an ever larger, dome-shaped bush. Ten years ago I would have said that its maximum height would be about 4 ft. Now I know that it can be at least twice that, maybe more, but it grows slowly and there [illegible] difficulty about having seedlings to replace it if it get too big.

I also have half a dozen healthy [illegible]lings ready to plant out this winter which I grew from seed [illegible] collected in the gutter outside a supermarket car park. The parent plants are evergreen with lance-shaped leaves and slender stems. I think they are cotoneaster salicifolius but what impressed me most about these plants was that, like my conspicuous, they hold a full crop of scarlet berries until February. I cannot [illegible] all forms of C. [illegible] this virtue so I [illegible] advantage of a lot of fallen berries to experiment for myself. I hope my seedlings hold on to their berries like their parents.

Many cotoneasters can be used for making hedges, either on their own or in company with another shrub such as hawthorn, box or privet. The one that seems most suitable for the purpose is called simonsii. It is usually semi-evergreen and rather stiffly erect which makes it easy to clip into a narrow hedge. The leaves are neat and glossy, the berries quite large and bright scarlet.

The best cotoneaster if you decide to grown one as a tree, restricting it from the outset to a single trunk left to grow about 6 or 7 ft and then beheaded so that it forms a head of branches, is Cornubia. It has big leaves and large clusters of white flowers followed by heavy crops of large bright red berries. It is the only cotoneaster I can recollect having received a First Class Certificate from the Royal Horticultural Society.

Plant of the Week

(Amaryllis belladonna)

This beautiful autumn flowering South African bulb carries from two to four large, pink, trumpet-shaped flowers on top of a stout 2ft to 2½ ft stem from September to October, before the strap-shaped leaves appear. It is on the borderline of hardiness, but in many parts of the country, in sheltered, sunny gardens, it can be grown successfully out of doors. The ideal place for it is at the foot of a south-facing wall, where it gets all the sun that is going, plus shelter from cold winds. The bulbs should be planted with their "noses" just covered with soil. Amaryllis can be protected in winter with a covering of straw or peat. It is also ideal for a border or large container in a sunny conservatory with little or no artificial heat. *Arthur Hellyer*

FOOD & DRINK

Shellfish straight off the beach

***Nicholas Woodsworth** finds some real surprises in [illegible] remote Canadian culinary outpost*

WHEN DAVID Phillips asked if I wanted eggs for breakfast it seemed natural enough a question, for what else does a bed-and-breakfast proprietor ask his guests at 8am on a summer's day? But when the eggs arrived a few minutes later I saw we had a problem. Herring eggs spawned in a gluey mass on strands of bright green seaweed are a little hard to take early in the morning.

I might have expected something of the sort. David Phillips is an unconventional character and his bed and breakfast an unconventional place. The entire island on which it sits is rather out of the ordinary. Forty miles [illegible] the north Pacific coast, where [illegible] meets the Alaska panhandle, the cool, misty Queen Charlotte islands are full of odd surprises, culinary and otherwise.

The herring roe was delicious. "The Haida Indians [illegible] call [illegible] ghow," [illegible] David [illegible] we dipped neat little strips into soya sauce and melted butter, and then bit into the tiny, iodine-charged eggs. They burst on the palate with the taste of the sea.

"In season herring will spawn on anything in the water they can find, bicycles and old boots included. But the Haida keep special off-shore kelp beds specially for the herring – they like the taste. So do the Japanese: they pull roe-covered kelp out of the water here, put it on a plane, and that evening it is sitting on plates in front of Japanese businessmen. At Tokyo prices, we've just eaten $100 worth of ghow."

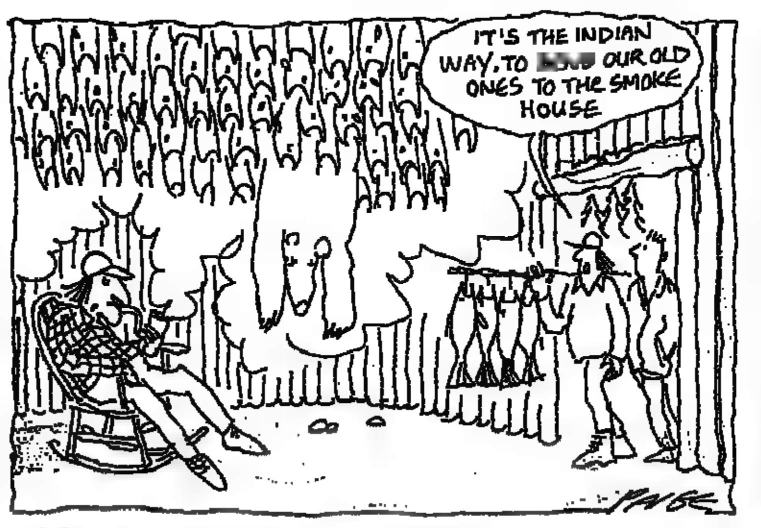
I didn't feel guilty; in fact I asked for more. In the Queen Charlottes there are lots of things you cannot do. You cannot have a night out on the town, unless you call the community of Masset on Graham island (one bar, one restaurant, one motel) a town. Nor can can you meet a wide variety of people, unless you call the difference between loggers, fishermen and other outdoorsmen wide. And you might have a hard time enjoying the weather, unless you like fogs, storms and drizzle.

What you *can* do on the Queen Charlottes is find a [illegible] of ocean, river and forest – most of it in a magnificent, natural state, and most of it edible. I therefore did [illegible] the islanders do: I tucked in.

Ghow is just one of the favourite dishes on these islands. When the north-east wind blows and churns up the Hecate straights between the Charlottes and the mainland, beaches here are covered with scallops, which are loaded on to the back of pick-up trucks with glee.

These scallops are not the little frozen rounds we find in supermarkets, but creatures with shells eight inches across and meat like small beef fillets. At other times, other winds bring cockles, moonsnails and razor clams up from the sea, all to similar delight.

When islanders are at work rather than play, they are also on the trail of food. The Queen Charlottes host one of the richest fishing grounds in the world. Here the currents of the north Pacific funnel large runs of salmon from the Arctic down past the shores of the islands. Halibut, Alaska black cod



and Dungeness [illegible] are [illegible] big [illegible] In summer, when [illegible] are less rough, local fishing trawlers are joined by commercial fishing fleets from Vancouver, Nanaimo and other ports further to the south. So profitable [illegible] the [illegible] [illegible] a deckhand working [illegible] commission [illegible] one of [illegible] boats can [illegible] comfortably for [illegible] winter.

Onshore, [illegible] is no [illegible] generous. In [illegible], rivers [illegible] with salmon running upstream to spawn; in winter with 15lb trout [illegible] as [illegible]. In [illegible] black-tail deer, so many of them that in [illegible] hunting [illegible] are allowed [illegible] claim 10 apiece annually.

There are elk, beaver, [illegible] and the largest black [illegible] in North America. In the [illegible] are huckleberries and salmon berries; underfoot, wild strawberries. In [illegible] damp, mild climate of [illegible] Charlottes, frost-free all [illegible], things live and grow in profusion.

At one point early [illegible] century, it looked [illegible] if the natural [illegible] of the Queen Charlottes [illegible] be exploited to the full. Hit hard by an [illegible] depression [illegible] attracted by cheap land, homesteaders [illegible] islands. They hacked log cabins and [illegible] out [illegible] the forest, and began farming. For a few [illegible] there were prosperous shops, a [illegible] and [illegible] busy ferry service.

The Charlottes, [illegible] settlers were promised by [illegible] land developer named [illegible] Hayes, would become the market garden of the North; all that was needed was the transformation of the little town of Prince Rupert on the mainland opposite into western Canada's major port-city.

The vision went bottom-up when Charles Hayes went down with the *Titanic* in [illegible] Settlers moved away in droves, [illegible] First World [illegible] snatched those that remained, and Vancouver became [illegible] prom[illegible] outlet [illegible] the Far East. The Queen Charlottes reverted [illegible] their former anonymity.

But there [illegible] a part of the population that had no intention of ever leaving, one that had been here all the time. The Queen Charlottes have been home to the Haida Indians [illegible] 10,000 [illegible] and depressions, market [illegible] and urban development [illegible] not their [illegible] cerns. Although the Haidas have made some [illegible] to modernity, a life close to nature and their [illegible]al [illegible] and gathering ways has suited them all along.

In David Phillips' kitchen, I met a young Haida with the unlikely name of Karmen Goertzen – a gift from his German father. Karmen grew up on the Charlottes working on crab boats and diving commercially for abalone. Today he [illegible] what his grandfather did: he makes Haida jewellery and carves wood sculptures. When he has the time, however, what he enjoys most is catching salmon.

For a month every spring Karmen puts everything aside and heads for the Yakoun river in the centre of Graham island. There on the family fishing grounds, living between an old cabin, a smoke-house and the sets of gill nets he stretches across the river, he spends his time catching and preparing the Haida's favourite food – fat, red-fleshed sockeye salmon.

With the help of a friend and his nets, Karmen is able to catch far more salmon than he can possibly use. At the height of the sockeye's spring spawning run up the Yakoun he once landed more than 250 fish in a morning. But the Haidas have ways of dealing with abundance; they preserve it, and they give it away in the elaborate social ritual of the pot-latch.

Much of Karmen's time on the Yakoun is spent preparing the fish for consumption [illegible] or even months later. Some of it he simply cooks and cans in pickle jars with salt and oil. *Some he soaks in a* brine and brown sugar solution and slowly smokes for two days over an alder wood fire. Much is turned into the tasty Haida snack known as *t'salj* – fillets of salmon dried on racks in the sun and wind, lightly smoked, and then dried. Cut into thin slices and eaten anytime, anywhere, it [illegible] you wonder if commercially-made snacks from a bag ever taste of anything at all.

When I met him, Karmen was preparing for an important event. With the death of his uncle, the *chief of the* Shark House people, he had been chosen as the new leader of his clan. Organising a chief's pot-latch is not an easy thing. For thousands of years it has been the means of distributing surplus wealth, acquiring prestige – and ordering society. Unlike the carved totems that once towered over every Haida village but have now been abandoned, it remains a pillar of Haida cultural life.

How do you keep 400 relatives happy for two non-stop days of singing, story-telling, celebrating, speech-making and dancing? You pull out the salmon that kept you busy canning, smoking and drying all spring. You gather crab, abalone and sea urchins along the shore. You make up a vast pot of black cod stew. Finally, you go out and catch 100 large salmon, clean and skewer them on 100 sharpened green sticks, and plant them over a bed of glowing wood coals dug into the ground. If all that doesn't earn you recognition as a provider – and a chieftanship to boot – what would?

I did not stay for Karmen's pot-latch; it was still some months away. But before I left, Karmen gave me an invitation to return, and a large [illegible] jar [illegible] with alder-smoked salmon. Not very long *ago, thousands of miles from the* Queen Charlotte islands, I unscrewed [illegible] jar [illegible] oun salmon [illegible] time. I immediately began reconsidering my travel plans. A few more mouthfuls, and I may make that pot-latch yet.

Chomping up the corn

ONTARIO is sweetcorn country. The corn there grows as high as an elephant's eye for mile upon golden mile.

A few years ago I watched a harvester chomp through the fields, wresting the cobs from their silky cocoons and reducing the stalks and leaves to papier mache. We followed the load to the processing plant to watch it canned and frozen. Than we were taken to a country club and given a sandwich lunch.

The gravied sandwiches came with bowls of hot buttery corn kernels and mountains of corn on the cob. A novel eating experience. [illegible] what really fazed me was that the [illegible] we ate [illegible] the corn [illegible] seen in the fields that morning – but it had been frozen.

Frozen sweetcorn and canned are valuable store cupboard standbys but if I can get corn that is really fresh I would choose that every time.

The simplest cooking methods are often best. Plain boiled and buttered corn on [illegible] cob is hard to beat, and 3 to 4 minutes cooking is all today's varieties need. Rub chilled butter over the freshly cooked cobs to give them a sheen, then serve the cobs with a little bowl of spiced sesame salt – sea salt mixed with toasted and crushed sesame seeds and cumin plus a pinch of chilli powder.

Apart from corn on the cob and warming winter chowders thick with sweetcorn, potatoes, peppers and pork meats or seafood, I am not over-keen on North American sweetcorn treats.

Much more to my taste are such things as a corn and egg gratin in which corn kernels, shredded lettuce and chopped spring onions are blanched and used as a nest for soft boiled eggs. A delicate, properly made Mornay sauce is spooned over (or leftover Hollandaise sauce, if you have some), a few bread crumbs are sprinkled on top and the dish is slipped under the grill to gild the surface.

CORN PUFF

(serves 6)

Parmesan is used again in this recipe, which includes corn in two guises – first, the kernels scraped from a fresh cob (or the equivalent in frozen or canned kernels) and, second, dried and ground corn - in other words, corn meal.

Heavier than a souffle [illegible] lighter than polenta, it is [illegible] dish to serve for lunch with a warm bacon and Cos salad on *the side. Or it can replace pota*toes, pasta or grain to partner savoury meat dishes such as pigeon casserole, game stew, sauteed chicken livers and kidneys turbigo.

¼ lb cornmeal (also called maize meal, maize flour or polenta flour), [illegible] slightly gritty textured variety is best; 1 cob of sweetcorn; 1 oz butter; 1 pt milk; 4 eggs; about 2 oz cheese freshly grated from a hunk of Parmesan; paprika and thyme.

Bring the milk, butter and 1 teaspoon salt to simmering point. Add the cornmeal in a steady trickle, and cook for 5 minutes over a very low flame, stirring continuously. Remove from the heat and stir in the Parmesan.

Unsheath the sweetcorn from its papery leaves and carefully strip away the silky tassels or stray dental floss-like strands may catch between the teeth. Scrape the kernels from the cob, using a small knife and standing the corn in a deep bowl to catch all the grains and milky juices as they are released.

Beat the sweetcorn into the mixture. Add the egg yolks, paprika and thyme, plus salt or more Parmesan if needed. Whisk the egg whites and fold them in. Turn the mixture into a large, lightly greased baking dish and bake on a pre-heated tray for about 35 minutes at 375°F (190°C) gas mark 5.

Philippa Davenport

Whiskey galore

CANADA, it seems, is awash with lager. The internal market is sewn-up by the Molson-Carling group and Labatt and between them, they control 90 per cent of the trade. But there are increasing numbers amounts of brew-pubs and micro-breweries in Canada, and a good many of are listed in Michael Jackson's excellent *Pocket Beer Book* (Mitchell Beazley, £6.99).

Canada [illegible] smaller regional breweries such [illegible] Moosehead and [illegible]more Springs and there is a beer in Calgary which, a friend assures me, is always referred-to as "a good old barley sandwich."

So far as Britain is concerned, most Canadian beer is brewed under license. Labatt's famous Blue is made by Brent Walker, Vaux, Eldridge Pope and Allied. Molson, however, is still shipped from Canada and that might give you an idea of a premium beer style without your having to go there.

Canadians do drink other things, but many sound less than appetising. Consider, for instance, the Calgary Red-Eye: this is a legendary hangover cure made from a mix of beer and tomato juice. In London's only Canadian pub, the Maple Leaf in Covent Garden (41 Maiden Lane, WC2, tel: 071-240-2943), they offer Bloody Caesar's vodka with clamato (tomato juice flavoured with baby clams), or Shooters: fiendish cocktails meant to be drunk in one go.

So far as spirits are concerned, Canada is carved up by Hiram Walker and Seagrams, best known there for their proprietary brands of whiskey.

Canadian whiskey is essentially a halfway house between Scotch and bourbon. Its principal ingredient is rye and Canadian whiskey is nearer to Irish whiskey by being the product of only one distillery.

Scotch is a symphony of flavours made by blending the produce of several dozen stills taken from all over Scotland. To make rye whiskey, spirits of different ages are blended, with the accent on smoothness.

Hiram Walker's Canadian Club is Canada's biggest-selling whiskey. The top of the range is represented by Canadian Club Classic (£20). This is a 12-year-old blend with a necessarily deeper colour and woodier nose.

Classic's rival is Seagrams' Crown Royal, another 12-year-old. It has rather more vanilla character [illegible] the Classic, which might come from using some new bourbon oak.

Giles MacDonogh

PROPERTY

Nutbourne [redacted] vineyard, [redacted] trout lake offered in two [redacted]

Bibulous bargain-hunting

*Use caution if you decide to plant your money on [redacted] south slope, says **David Hoppit***

A[redacted] THE *vignerons* of France contemplate [redacted] *catastrophe* [redacted] their early [redacted] some potential vineyard buyers [redacted] looking towards England's southern slopes [redacted] plant their [redacted]

There are now more [redacted] 400 [redacted] mercial vineyards in England and Wales, plus [redacted] hobby [redacted] prises, and most of them got through a difficult spring with [redacted] might even produce the supernaculum of [redacted]

Not [redacted] in France, where some [redacted] nearly everything in the early [redacted] of April [redacted] even [redacted] Latour, one [redacted] the more [redacted] first growths, [redacted] temperature [redacted] night dropped sharply.

The second buds, which should [redacted] replaced [redacted] burned in the [redacted] beaten by cold, [redacted] winds. Englishman David Orr, Latour's president, said: "Production will be down by 30 to [redacted] per cent, but many [redacted] far worse affected than we are."

Risky business, making wine; but in [redacted] 10-year cycle in England one *needs only a couple of good years for* the enterprise to become more profit[redacted] than conventional farming. One man and a strong wife can do most of [redacted] work, with help [redacted] picking time. Never mind [redacted] darling [redacted] of [redacted] – [redacted] one [redacted] "It's [redacted] *case of the bloody bugs of June,* the mildew of July, the birds of August and the [redacted] of September".

There [redacted] nothing [redacted] English wine. The [redacted] made it [redacted] it was [redacted] right through the centuries until it [redacted] fashion [redacted] the [redacted] War.

In [redacted] difficult days Britain's farmers [redacted] having [redacted] look for new crops [redacted] – golf [redacted] caravan sites, [redacted] racing and so on; happy the [redacted] well-drained, south-facing [redacted] on [redacted] *practice* [redacted]

Establishing [redacted] vineyard is a lengthy [redacted] it [redacted] any [redacted] can [redacted] Assuming the land [redacted] already owned, [redacted] vineyard [redacted] £35,000 [redacted] – [redacted] further £20,000 should be budgeted [redacted] specialist equipment. [redacted] vineyard [redacted] really large [redacted] a co-operative wine maker.

That first crop on [redacted] holding [redacted] produce [redacted] 5,000 bottles; by the fifth year [redacted] vineyard should be making [redacted] 30,000.

For [redacted] unwilling to [redacted] their [redacted] vineyards offering instant [redacted] on the market [redacted]

[redacted] idyllic corners [redacted] Hampshire [redacted] the setting for Rockbourne [redacted] fisheries [redacted] winery, a [redacted] built up in [redacted] years by a couple with [redacted] staff of just [redacted] The property, with [redacted] new house, has 52 acres, with a series of trout lakes and [redacted] chalk stream occupying [redacted] lower ground and more [redacted] 12 acres [redacted] on the slopes [redacted] The fishery and [redacted] little shop alone produces a turnover of £85,000 a year; the trout record was set at 14lbs 6oz the day before [redacted] visited.

"We have had more than the necessary three hours' sunshine a day this summer so [redacted] will [redacted] vintage year," [redacted] *Cain.* [redacted] vines are grown on the Geneva Double Curtain (GDC) [redacted], requiring [redacted] plants. The [redacted] are higher off the ground than on a conventional system.

In [redacted] do [redacted] in England, Cain is experimenting with Chardonnay and a few Pinot Noir, with promising results. His established vines are producing 2½ tons to the acre (value about £650 a ton); with just over 2 lbs needed to make a bottle of wine (about five bunches) that is 1,000 bottles to the acre – enough temptation for most people. Savills has set a guide price of £500,000.

The omens are also good at Nutbourne Manor, near Pulborough, in West Sussex. This beautiful Georgian house, with its 30 acres of vineyards, apple orchards and trout lakes was marketed in 1989 but surprisingly did not sell. There are now about 20 acres of vines, including a variety called Bacchus. The property is offered in *two sections, but a price of above £1m* is suggested by Savills with Humberts for the whole estate – a bargain considering the guide of "above £1.5m" in [redacted]

The wines of Barton Manor on the [redacted] of [redacted] have graced dinner tables at Buckingham Palace and the royal yacht and they are sold [redacted] Har[redacted] The [redacted] *fitting outlets* when one considers the royal connec[redacted] of [redacted] estate near East Cowes. It was bought in 1845 by Queen Victoria to extend her holding at the adjoining [redacted] House (and was used to house some of the less well-behaved *children of visiting* European royalty). Edward VII sold Osborne House and kept Barton Manor. Parts of the house are very old – it was an Augustine oratory – but [redacted] elegance [redacted] period. [redacted] vineyards, producing Wight Wines, [redacted] just [redacted] and [redacted] 30,000 bottles a year. The restored buildings are at the centre of an attraction that brings 25,000 visitors a year. Humberts suggest a price of about £1.15m.

There is a vineyard and cider apple orchard within the 18 acres of Yearlstone Vineyard at Bickleigh, near Tiverton, in Devon, and planning permission for [redacted] house. This is the oldest commercial vineyard in the county. Knight Frank and Rutley quotes [redacted] *Hamptons* [redacted] *price* [redacted] £345,000 for Combe House, near Heathfield, in [redacted] Sussex, [redacted] acre vineyard within [redacted] 10 [redacted] The vineyard, which could be extended, was planted 12 years ago and contains 2,500 vines of the Muller Thurgau and Seyval Blanc varieties.

If all the work involved is too *daunting one can sit and watch the* next-door vines grow from Little Butts at Cousley Wood, near Wadhurst, in East Sussex, a short stroll [redacted] Water. This tranquil [redacted] property is being sold through Hurley Lloyd Thorpe with an asking price of £500,000.

For those determined to seek a French vineyard there are several agents specialising in them. George [redacted]-Clive, of the Newbury-based Vineyard Agency, says many of his inquiries come from dreamers "not [redacted] a [redacted] Noir from a Chardonnay".

Barbers in London has a few temptations, including a farmhouse that is no more than "a heap of stones" with 10 acres of asparagus and 30 acres of land for Côte du Rhone vines; the price guide is about £140,000. For just £40,000 there is a solid little village house near Bagnols, in need of some tender loving care, with just 10 Côte du Rhone vines in the garden.

Now Sotheby's is moving into the *market place, specialising* in the vineyards of Bordeaux. The trouble is that the sale of vineyards in this area is usually very hush-hush. Suffice to say that there are opportunities for someone with between £2m and £40m to invest. You could buy a lot of claret and a few English vineyards for that.

There are no secrets about the price *and location of a barrel full of temptation* sent to me from General Accident's [redacted] department through [redacted] Properties International, [redacted] Village.

Vineyards large and small are offered, with mouth-watering old houses, at prices ranging from below £60,000 to well over £1m. Especially attractive is a 131-acre farm in rural Gascony, with 31 acres of vines, five acres of kiwi fruit, woodland and arable. As well as the 19th century house there is a second house, perfect for holiday letting or relatives. There is a natural spring in the woodland and abundant ceps. This rural bliss will cost you about £350,000.

If something a little cheaper is required about £36,000 would buy a renovated farmhouse and 15 acres of land with a small vineyard near Le Fousseret, not far from Toulouse.

But do not rush in. Some people who do not know a pinot noir from a chardonnay have tried their hand at *viticulture with distinctly* unprofitable consequences. One needs reserves of cash, good health and strength, plus plenty of *joie de vivre.*

Oases turn into battlegrounds

***Audrey Powell** on the controversy over [redacted] French golf courses*

IF YOU are planning to buy a new property beside a golf course in France, perhaps you should not leave it too long.

The country now has some 410 courses and many more promised, but from being refreshing green oases in an often parched *countryside, golf* courses in the south seem to be turning into something of [redacted] battleground.

There are stories of Swiss, French and Japanese companies fighting over ownership, *of armed guards and the mys*terious ruination of part of one course when the weed killer was apparently not what it seemed. This was followed by the inevitable court action.

Now the quarrels have taken on a new dimension as environmentalists, feeling that permission to build a course amounts to consent for a housing development to pay for it, have been protesting at the growing number of courses.

Pierre & Vacances, a leading French developer and operator of leisure accommodation, obtained permission to build a 27 hole course, 50 golf villas, 180 terrace golf houses and 170 apartments, plus a four star *hotel, at Gassin just outside St* Tropez. Construction began and continued for a year and reservations were taken for properties.

Then the "anti-concrete", as the developers call their increasingly powerful opponents, mounted such strong opposition that permission was cancelled retrospectively by a court in Nice. The company is taking the matter to a court of appeal in Paris.

As one local agent put it: "Golf has got a little bit out of hand here."

No such problems are likely to arise at nearby Les Parcs de Beauvallon, you are assured by Immomer, the Swiss development company. Many of the 45 detached houses intended to border an extension of the nine hole Beauvallon course are already built and the first phase should be completed by the spring.

An area of 34 acres has been allocated, with 14 reserved for the extension of the existing course to bring it to 18 holes. The houses will overlook a vineyard, the course and the bay of St Tropez beyond. But the properties have no connection with the course other than that each household will be a shareholder.

Two- to four-bedroom houses are available, priced from £630,000 to £880,000. Agents are Port Grimaud Properties, on site, tel: 94.49.58.24, or in the UK tel: 0243-572001.

The houses have double height sitting rooms with four pairs of French doors. An internal patio serves as a dining room. From this a curved staircase leads to the upper floor, which only extends over part of the property. The staircase is visible through the glass wall of the sitting room.

Bedrooms, one at ground level, form [redacted] with [redacted] rooms and dressing areas. Balconies, covered terraces, an *unidentified ground floor* "reserve" room with walls unlined but french doors to a terrace, with the patio and integral double garage, add to the feeling of space.

'More variety would not have [redacted] amiss'

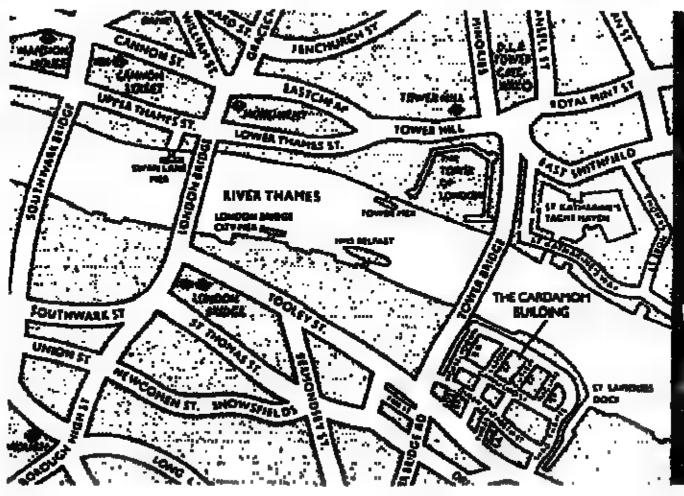
Each property has its deck level swimming pool (the type where water runs over the edge into a gully) and garden; which are looked after by the management. A sophisticated security system, linked to a monitoring office and regular patrols also partly account for the £7,000 to £8,000 a year maintenance charge.

The one-house design, though sometimes reversed or amended to produce larger or smaller properties, is being repeated throughout the development. More variety would not have come amiss.

Residents are entitled to join a tennis club and use a communal pool on a neighbouring development by the same company. A tunnel runs under the coast road to a sandy beach.

LONDON PROPERTY

WHY CRAWL INTO THE CITY EVERY MORNING WHEN YOU COULD WALK?



Butlers Wharf is only a hundred yards down river from Tower Bridge. A ten minute stroll from Fenchurch Street, and only twenty minutes from Bank.

In the nineteenth century, its warehouses were filled with tumeric, saffron, cinnamon and tea. The air [redacted] filled with the [redacted] of spice.

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You'll find Bosch appliances in the Salvarani kitchens, original cast [redacted] columns [redacted] the living [redacted] and bathrooms tiled throughout in white. 'Fixtures and fittings' [redacted] include parking and twenty four hour security.

Step out [redacted] one of the balconies and you'll notice the exterior steel and brickwork have been restored [redacted] their former grandeur. (Hence its Grade II listing.)

Look down, and you'll find shops, galleries and restaurants.

The shouts of dockers and the clanking of pulleys have been replaced by the chatter of visitors and the rattle of coffee cups.

Our Sales Centre is in the heart of Butlers Wharf, halfway down Shad Thames.

There'll be someone there every day between 10am and 6pm [redacted] show you around and [redacted] questions Tel 071-403 6604. The nearest stations [redacted] Tower Hill and London Bridge. So if you're fed up with the long haul [redacted] work, pull [redacted] just south of Tower Bridge.

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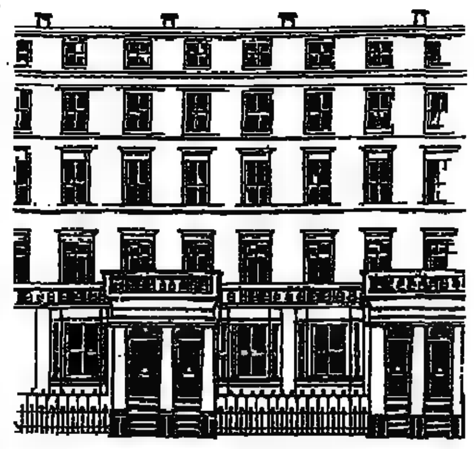

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*see article on estimated future property values in Sunday Times, August 25th 1991.

NB: Although the figures supplied are correct to the best of our knowledge, their accuracy cannot be guaranteed and the value of investments can go down as well as up.

On the instructions of the LPA Receiver
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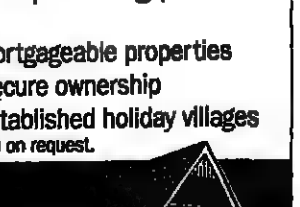

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Rugby World Cup / **John Hopkins**

Princes of the parc

PARIS will be the place to be next Saturday when England face France at Parc des Princes. If this World Cup quarter-final game is half as good in reality as it is in prospect then it will be worth swimming the English Channel to [illegible]. Both teams are running in to form [illegible] right time.

France's demolition of Fiji in Grenoble was impressive. Their back division is as potent a strike force as any in this World Cup and they lit up the grey gloom of the Alpine town on Tuesday night, underlining how dangerous they can be with a decent supply of ball. The key was the return of centre Philippe Sella. He is to France what Mark Ring is to Wales, a talisman, a playmaker, an imp of genius.

"Merci pour un belle bleu nuit" ran one newspaper headline after the French had scored [illegible] tries, three of them by Jean-Baptist Lafond, the left wing. Sella's return after injury [illegible] the French backs a [illegible] edge that [illegible] been missing in their lacklustre performance against Romania four days earlier.

Serge Blanco [illegible] all [illegible] plaudits. When he [illegible] on song, [illegible] are on [illegible]. But [illegible] almost [illegible] impor[illegible] to France's equilibrium. Remember that [illegible] French try at Twickenham last season, the one that began behind their posts? Sella played the pivotal role in that, slowing play down momentarily to allow Didier Camberabero to take up [illegible] position to receive [illegible] pass near half-way. Later, Sella joined with Mesnel and Blanco to score another brilliant try for the French.

The French feel their performance against New Zealand in the final of the 1987 World Cup was not worthy of them. They have waited four years with increasing enthusiasm to do something about it. Now they have the chance, the team and the tactics to do something about it. The emphasis on forward domination for the sake of it has gone. A new spirit surrounds the French. They are going to be very hard to beat in Paris.

Talking of centres and tries, you would have to go a long way to find a better one than Jeremy Guscott's second at Twickenham on Tuesday. He scored from 45 yards out, without a hand being laid on him, a gentle, curving run during which he looked as though he could have balanced a glass of water on his head and not spilled a drop.

This try was mostly Guscott's own work, set up by a long pass infield from Webb and another long pass from Andrew. Guscott's first try had come after a bullocking run by Will Carling, who broke through the Italians' line of defence and then passed [illegible] ball for Guscott to [illegible] yards [illegible] so at his own deceptively quick [illegible]. Just [illegible] many sub-plots that make the forthcoming quarter-final such a mouth-watering prospect is the confrontation between Mesnel [illegible] and Carling and Guscott. It is a long time since any two European teams have had four such good centres.

I wish I could find something good to say about Italy's play. The cynicism with which they killed the ball so often in the second half by lying offside or throwing themselves over the top was such that I fear the influence of soccer.

Some years ago I spent an enjoyable few days visiting the late Carwyn James while he was coaching in Rovigo, a pleasant town an hour from Venice. James had masterminded the 1971 Lions' success in New Zealand. Italy, he said, was *bene*: "The enthusiasm of the Italians gets you. I came out here with theoretical missionary zeal but now I have worked with them it has become practical too."

Three of the players James coached at Rovigo were in Italy's squad on Tuesday. James would not have been proud of their team's play. Just because you cannot win, you do not give up and cheat blatantly. It cast a cloud over the whole afternoon, one that was not lifted by the Italians' wide-eyed exclamations of complete ignorance later when they were accused of spoiling the game.

I rather wish that England had not experimented with back row moves. If Jon Webb had been let loose he could have kicked a points record and a score that would have humiliated the Italians. This would have been no less than they deserved. Twickenham last Tuesday was not Italy's finest hour.

Forward lunge: Mike Teague [illegible] England [illegible] the run during the 36-6 victory over Italy

The South Sea bubble grows

AFTER 17 matches in this World Cup, the team that has been *the* revelation is Western Samoa writes John Hopkins.

If there is one thing the Western Samoans showed us in Wales these past few days it is that even though they have a team without stars, they are not a team without ability. The sum of their game far exceeds the total of the individual parts. They have a heavy pack, a good line-out, a frenzied tackling style and, above all, a determination to cross the gain line and to play brisk, no-nonsense rugby. This sort of approach has been good enough for the All Blacks for years. It is good enough for the Western Samoans.

They should be too accomplished for a dispirited Argentinian team at Pontypridd in the last match of pool three tomorrow afternoon. They have the discipline the Argentinians lack. They have the weight and skill to match moves such as Argentina's magnificent rolling maul against Wales on Wednesday night, one of the longest I have ever seen. Most of all, they only narrowly lost to Australia, by one penalty goal to three, in shocking conditions at Pontypool on Wednesday afternoon. A bit more luck and the game could have gone their way and nobody could have complained.

The Samoans have won their way into our hearts.

I think Western Samoa could beat Scotland at Murrayfield next Saturday, assuming that Scotland do not lose against Ireland today and win their pool, as I expect. After that, anything could happen.

America's Cup/**Keith Wheatley**

The spy who came in for the Cup

E[illegible] THIS [illegible] reports [illegible] first [illegible] America's Cup [illegible] had been caught in [illegible] Diego. Two security guards apprehended [illegible] man who [illegible] a barbed wire perimeter fence at [illegible] New Zealand base on [illegible] island and was making [illegible] the [illegible] dock area equipped for [illegible] break in.

The intruder initially told police that he was just walking the dog on the beach but later admitted that he had been paid to gain entry to the Kiwi inner sanctum, where their three yachts are docked. "You don't need wire cutters and a camera to walk the dog," observed a Coronado police sergeant.

With just 100 days to go before the first races off San Diego in the Challenger elimination series, the pace is quickening. Major multi-boat campaigns such as the Kiwis, Japanese and Italians have been installed in southern California and training for months.

Other challengers, with a single yacht and limited funds, are in the process of launching and shipping [illegible] to [illegible] US. Last weekend [illegible] was [illegible] turn [illegible] the Spirit of Australia group in Sydney.

Project leader Iain Murray is also the designer. He was the skipper of Kookaburra, the boat which unsuccessfully defended the Cup for Australia off Fremantle in 1987. Constructed amid the rubble of the Australian economy, Spirit is still short of campaign funds and would never have been built without development funds contributed by Alan Bond shortly before his business empire crashed.

Clever engineering has always been Murray's forte. His group is building [illegible] 115ft carbon [illegible] the new yachts in one piece, something no other syndicate has achieved. Furthermore, Spirit of Australia is able to build each rig for around $200,000 (£115,000), around a third of the open-market price from the British manufacturer Sparcraft, which is supplying most of the other teams.

Britain [illegible] no entry [illegible] the 1992 [illegible] Cup. Peter De Savary's withdrawal last July was disappointing but hardly [illegible] given the state of the [illegible] property market that funds much [illegible] his activity. However, there are Britons participating in [illegible] Cup even if they [illegible] no team [illegible] their [illegible].

David Hollom, [illegible] Yorkshire yacht designer has been working [illegible] Swedish [illegible] challenging for the Cup for [illegible] a year. [illegible] days time they launch their first – and only – yacht. [illegible] has [illegible] by Irish big-boat maestro Killian Bushe and [illegible] largely Australian and British team.

[illegible] budget is [illegible] mixture [illegible] private funding and corporate [illegible]sorship. [illegible] latter [illegible] still [illegible] is reliably under[illegible] to [illegible] Saab and Volvo prominent in the mix. Other [illegible] such as Japan and Italy have also [illegible] in getting their blue-chip, high-technology [illegible] Cup challenge [illegible] ruefully expatriate Hollom [illegible] help wondering why [illegible] has not [illegible] likewise.

"There must [illegible] a lot of kudos in being able to win the America's Cup [illegible] you have pretensions to being [illegible] technological nation," commented Hollom, from Stenungsund. "Look [illegible] Nippon challenge. It has [illegible] cream [illegible] Japanese industry [illegible] it. There [illegible] when [illegible] would [illegible] same."

Hollom, who spent [illegible] good deal [illegible] in [illegible] attempting [illegible] for [illegible] challenge [illegible] North of England, is [illegible] whether Britain's present situation is a temporary recession-led [illegible] on nerve or part of a terminal national decline.

[illegible] course, [illegible] thought which says that the Cup itself is a basket-case. The decision to abandon the classic 12-metre [illegible] for [illegible] untried [illegible] of [illegible] boats built of exotic composites has led to undreamt-of costs. Entries from [illegible] Union [illegible] Yugo[illegible] will almost certainly [illegible], leaving just a handful of challengers and two defender groups.

"Six challenger entries for the [illegible] premier sailing [illegible]. It's pathetic," fumed Hollom. "I can't help feeling that it was the biggest mistake ever to ditch 12-metres and go into these fantastically expensive boats. If the San Diego Yacht Club has stuck with the Twelves they would be looking at 20 entries now."

Certainly the schedule of racing, drawn up by the SDYC when it looked likely to have entries in double figures, now appears hugely over-inflated. The first races between would-be defenders Bill Koch and Dennis Conner start on January 14. If the America's Cup match goes the full best-of-seven races the final day on the water will not be until May 19.

The US sports cable network ESPN is providing the television pictures of the racing. In a reflection of the competition itself viewers in France, Italy, Spain and Scandinavia will receive coverage. But British viewers should not hold their breath. TVS, previously the bulwark of yachting coverage, has so far refused to buy the rights to the Cup and no other broadcaster has shown the slightest interest in putting it on British screens.

TRAVEL

Beware what follows the fondue

***James Henderson** is gripped by the herd instinct in the Haute Savoie*

TWO WEEKS in the Haute Savoie – the idea of going to France always strikes me with pleasure, but the light-hearted feeling is all too quickly followed by a foreboding as heavy as I know my stomach will inevitably be. Trouble is, each time I go to France the trip degenerates into a gastronomic steeplechase.

The valleys of the Haute Savoie are slung between the jagged lines of peaks that are thrown off by Mont Blanc. Bare rock and ice stand out above the tree line where the dark pine slopes take over and the few flat pieces of land are clustered with farms. Traditionally, the [illegible] always [illegible] people [illegible] vines, bees and a few cattle in the mountain grass. Nowadays the herds have been replaced by droves of skiers, and the Haute Savoie has become France's second richest *département*.

There [illegible] a certain herd-like momentum about our party, at least to begin with. [illegible] charged off while the rest of us plodded behind nervously, spooked at any mogul or powder face, [illegible] sters that always seem to lurk in the snow. Expert skiers just glide or bounce over them, but [illegible] they always tip me up and I spend the afternoon in the snow.

La Clusaz is a favourite with weekenders from around Geneva and Annecy. It has some demanding slopes off the main pistes and it is not as crowded as the better-known resorts nearby. It is also home to the Flying Kilometre, where men with vast skis and space-age helmets attempt to reach terminal velocity on a sheet of sheer ice.

A week of sun before we arrived, however, had given the snow a certain swamp-like quality – just what we needed on the first day. There were acres of slush that seemed to have grown tendrils, ready to catch any wayward edge or an imperfectly weighted [illegible] But the morning's momentum soon became bogged down in *tartiflette*, a steaming earthenware platter, [illegible] ft by 2ft, of molten local farm cheese layered with onion and potato, dripping with *crème fraîche*, chives and garlic. [illegible] two hours later, the snow was still gurgling, grappling at me trying to pull me down.

Soon we were deluged by sloppy snow and warm mid-winter rain. With two-metre visibility and inscrutable whiteness all around, I was not sure whether I was moving . . . until I went over the lip of a black run and found myself careering down a mogul-field.

We gave up and instead went to visit one of Thônes valley's traditional dairy farms, where they produce Reblochon [illegible]. It [illegible] a three-storey building of weather-stained pine with [illegible] overhanging [illegible], where the age-old farm machinery hung to protect it from the rain. The family shares the middle floor with the herd itself (or at least the grandparents do, as the next generation [illegible] another chalet: it is a profitable business).

In the loft they store the winter feed, a good insulator, which keeps them all warm until the spring sun [illegible] in March. It is pitchforked down twice a day to the cows. The milk is collected and then channelled into the basement to the factory itself.

In the musty cellar, cool with constant running [illegible] and the fresh smell of curd, [illegible] bubbled with the [illegible] cream milk. The curds are collected in muslin and then packed in 6 in round moulds, compressed and stacked away to set. After a few days they are removed and left to relax, on ancient wooden slabs, and turned daily. As the rind begins to harden it is stamped with the green insignia of the Reblochon *fermier*. These techniques have supposedly not changed much since the 15th century and the delicious cheese, smooth and mellow with an ivory-yellow flesh, was said to be a favourite with Louis XIV.

Most local dishes are based on the abundant dairy products of the region, so while the white-out continued we sampled a few more, such as *tartin*, three-bite-sized portions of [illegible] enclosed in an envelope of luscious puff pastry, slightly [illegible] on the outside, sweating inside and fused to the molten cheese. With it came *salade savoyarde*, cold because it had been stored in the snow: lettuce, cubes of ham and local cheese and croutons, steeped in spicy vinaigrette.

When the sky finally reappeared, a [illegible] had been followed by rain and then a deep freeze, turning the pistes into whole square miles of sheet-ice. There was just a dusting of icing sugar snow on which to turn, but miss that and you were doomed. People were slipping over like choreographed drunkards, in sympathy with one another, and sliding down the slope until they bumped into the chair-lift at the bottom. Feeling like a tenderised steak, I [illegible] in for [illegible] *vin* [illegible]

Off-piste there was a two-inch covering [illegible] of powder snow. *Crème brulée!* yelled a friend as he jinked past, bouncing left and right, crunching through the surface crust into the creamy powder snow beneath. I set off after him, but each time I made a turn the slabs of ice would echo strangely and yawn open before taking a huge bite out of the backs of my skis, flooring me again and again. More *vin chaud*.

Muffled noises outside next morning were the first signs of a night-time dump of perfect snow. It was [illegible] in which we could [illegible] wrong, elastic and forgiving, acres of blinding white icing. We even forgot our customary mid-morning *chocolat chaud*.

But we made sure to try an *omelette savoyarde*, a folded pancake of omelette gorged with grated Beaufort cheese (quite like Gruyère) and [illegible] potato [illegible] in butter, and a side-plate of [illegible] *crème*, [illegible] down with some slightly sparkling Seyssel, a local wine. Around us the powder hounds were braying, pink and green streaks of warpaint on their faces, one-piece skiing suits in splashes of primary red, yellow and blue. They regaled one another with war stories, and so we decided we had better follow them.

As the pack bounded off on the hunt for the best new snow, we followed them vaguely, struggling against a haze of wine and labouring against the weight of another heavy meal. Eventually we launched ourselves off a cliff into 1¼ miles of the lightest powder snow, feet deep, as light as chantilly cream. "Lean back! Lean back!" they shouted, but what is the point when your centre of gravity is somewhere [illegible] your knees? I spent most of the afternoon buried up to my chest in snow, head first.

A week of sun brought the snow back to what it was when we had first arrived, a gurgling morass, awash with monstrous undergrowth. It was time for a fondue. We sat around a vast copper vat, lit underneath by four candles, bubbling with Beaufort, white wine, kirsch, garlic, spices and about a hundredweight of *crème fraîche*. Armed with long forks and a [illegible] of the local Apremont wine, we got stuck in, quickly tangling up in a web of metre-long strings of cheese.

Somewhere outside, patiently, Swamp Thing was waiting for us to venture back on to our skis.

The valleys of the Haute Savoie are slung between jagged lines of peaks . . .

Travel News

FORTE HOTELS, the UK's largest hotel chain, is banning smoking from the restaurants in all its 103 Heritage country-house hotels in the UK. The move is the latest response by airlines, hotels, and restaurants to meet growing consumer antagonism to smokers when away from home.

Forte has singled out the restaurants in its Heritage chain of hotels for a ban on smoking as these are less able to be air-conditioned or restructured to allow non-smoking areas. Heritage restaurant customers are told about the no-smoking policy when making a reservation and reminded at the table.

Forte says about 30 per cent of all its hotel bedrooms in the UK are designated as no-smoking rooms which guests can request on booking. This proportion of no-smoking rooms is broadly in line with other leading UK hotel chains but not in step with the proportion of non-smoking adults: tobacco industry figures put this at 63 per cent.

British-based airlines have been slower than their American counterparts to adopt smoking restrictions in flight.

Smoking is banned on all US domestic flights of under six hours duration; in the UK, only British Airways has successfully introduced a ban on smoking on all [illegible]

On international routes, smoking is still allowed in certain seats (usually at the back of the cabin) which [illegible] that other non-smoking passengers (and cabin crew) have to accept passive smoking. When checking-in, the best policy for non-smokers is to ask which are the smoking rows and then request seating as far away as possible.

Only Air Canada has a total ban on smoking on all its domestic and transatlantic flights. BA provides business travellers who smoke with their own cabin on most of its Club World flights.

British restaurants are increasingly providing non-smoking areas and better air-conditioning to cope with smokers, says Tom Jaine, editor of the *Good Food Guide* (Consumers' Association, £12.95) published this week. But only a few have gone the whole way and banned smoking entirely.

David Churchill

Motoring/Stuart Marshall

MPVs – a new breed

SOMETIMES, they are a household's only transport. Often, though, they are second cars, the first ones being company saloons. They are a new breed, more adaptable to a varied lifestyle than your average family hatchback but not expensive to buy. Nor do they cost an arm and a leg to run. Inevitably, they are from Japan.

Why do the Japanese have the knack of spotting – and, more importantly, filling – market niches with desirable and affordable products while the rest of the world is only thinking about it?

In the past few days, I have been driving three of them. Mitsubishi's Space Wagon and its shorter wheelbase stablemate, the Space Runner, are brand new; the Vitara four-door automatic is a recent and welcome addition to the Suzuki range of four-wheel drives.

Like the original Space Wagon, the new Mitsubishis are shaped like a car, not a crew bus, [illegible] the seven-seat Space Wagon fits a normal garage. You sit quite high behind the wheel, with a commanding view ahead, but would never think you were driving a van. Which, of course, you are not.

They have a new and punchy but refined 1.8-litre, fuel-injected, 16-valve engine with a catalyser, driving the front wheels through a five-speed manual gearbox. As an optional extra, there is also a four-speed automatic. In average use, [illegible] vehicle should realistically [illegible] around 31-32 mpg (9.1-8.8 l/100km).

All-independent suspension gives the new Mitsubishi space cars a shock-absorbent ride with very little roll on corners. The power-assisted steering is light for parking, pleasantly positive on the open road. The seats are softly welcoming, yet shaped supportively.

I tried manuals and automatics. If all my journeys in a Space Wagon or Runner were to be long, I would probably go for the five-speed versions. But many of these practical and useful cars will be driven during the week by young mums concerned with school runs and shopping. They may well prefer the automatics. In their place, so would I. Manual or two-pedal, they feel equally nippy in town and cruise quietly on motorways.

They are notably good value. At £11,499, the five-seat manual Space Runner, with a large sliding door on the near side for the back passengers, is cheaper than a Nissan Prairie 2.0LX (listed at £11,749) or even a Ford Escort 1.4 GLX estate [illegible].

The nine-inch ([illegible] cm) longer, [illegible] Space Wagon, with four normal passenger doors, [illegible] £12,499. That is over [illegible] than you pay for the least expensive Renault Espace. Automatic transmission is £700 extra on the Space Runner, £711 on the Space Wagon.

Both these Mitsubishi MPVs (multi-purpose vehicles) have all the [illegible] motoring. Apart from power steering, they have electric windows, power-adjusted and heated outside mirrors, [illegible] locking [illegible] and tailgate, tilt-adjustable steering, height-adjustable front [illegible] belt [illegible], headlamp [illegible] and [illegible] wash/wipe.

The Space Runner is essentially a high-roofed, [illegible] estate car with more than adequate load space.

The [illegible] is a full [illegible] although I doubt adults would want to travel all day sitting on the third bench. Seven up, luggage space is modest, but as a five-seater it will swallow a family's holiday kit. Fiddling with the seats turns it into a bulk carrier or even a double bed.

> *'Why do the Japanese have the knack of spotting market niches?'*

At 14ft 10in (451.5cm) long, a Space Wagon is slightly shorter than a VW Passat estate, only a coat of paint longer than a Ford Sierra estate. The 14ft 1in (429 cm) Space Runner is almost exactly the same length as a Ford Escort estate. It is their extra height that makes them so much roomier.

As roads get more crowded and buyers' expectations of a car's carrying capacity rise, MPVs like the Space Wagon and Space Runner can only become more popular.

Another niche market that Japanese producers have made their own is that for compact on/off-road vehicles. No, not the beefy, horsebox-pulling 4x4s like the Land-Rover and Range Rover but small ones used mainly (in many cases, entirely) as macho-looking but roadbound runabouts.

Small sports cars long ago [illegible] beyond the financial reach of many young men and women who would have loved one. Little on/off-road 4x4s took their place. I think it was because it seemed adventurous to leave home in a high-slung, knobbly-tyred Suzuki SJ410 "Jeep" even if you were only driving an office. They hardly ever went cross-country. But just to know [illegible] four-wheel drive, low-ratio gears and lots of [illegible] would let them cope easily if they did was quite enough.

On-road performance was not up to much and the ride bone-shaking – but who cared? A little discomfort is an inescapable part of some kinds of pleasure. (Ask anyone who rides horses).

You can see why the SJ410 spawned the Suzuki Vitara. With power steering, independent [illegible] suspension and [illegible] track, it was lighter to handle and felt more stable when used on the road as a car substitute. Producing a longer-wheelbase, five-door estate car version of the Vitara carried things a stage further. I quite fell for the one I used last week.

Some have called it a mini-Range Rover. Up to a point, it is. But I think its fully-independent suspension gives it a better tarmac ride. Whether on main roads or country by-ways, it was hardly less comfortable than a firmly-sprung family hatchback. A slight vagueness about the steering on fast curves hardly mattered. In town, it was feather-light to drive and park.

The 16-valve, fuel-injected, 1.6-litre, 95-horsepower engine with a catalyser was curiously growly when accelerating vigorously; but at 70 mph there was more wind and road roar than engine noise, and neither was excessive. The four-speed [illegible] (actually, three-speed plus a manually-switched overdrive) with power and economy [illegible] is self-effacing.

On the road, drive is normally to the rear wheels only, but power can also be put through to the front wheels in high range (for snowy roads or sandy tracks) and low range (for rough terrain, on which the Vitara is a capable performer).

A five-door Vitara will tow 1,450 kgs. A [illegible] trailer would be asking too much of it, but it should manage a pony or boat trailer very nicely. The four-wheel drive would be a boon in snow, but for the rest of the year a family could enjoy its car-like comfort and moderate fuel consumption – say, [illegible] mpg (10.4-9.7 l/100km) on a [illegible]

The five-door [illegible] £11,250 with manual gears, £11,850 as an automatic.

HOW TO SPEND IT

High jinks with the in-crowd of Houston

In the second part of her American odyssey, ***Lucia [illegible] der Post*** *rubs shoulders with the cattle barons and black-belt shoppers of Texas*

HOUSTONITES excel at having fun. It is all one long giddy whirl – but if, and only if, you start out right. Not invited to join the River Oaks Country Club? Unable to command [illegible] right [illegible] company [illegible] the [illegible] Barons' Ball? Not asked to join the junior league or chair the right committee? Well, you might as well throw in the towel right now.

"Texas," one Houstonian told me, "is like a big sorority [illegible] fraternity. You've got to be accepted into it." Nowhere does this [illegible] true than in Houston, [illegible] founding families [illegible] and never [illegible]. Why [illegible] they? They [illegible] it all right there.

But [illegible] things have to be thought about early – [illegible] early. Women [illegible] the top families will even ring from [illegible] labour [illegible] to [illegible] new-born into Pooh Corner pre-school [illegible] Waldemar [illegible] Mystic (for girls) or [illegible] (for boys) summer [illegible], where they can be sure that [illegible] right kind [illegible] life-time [illegible] will [illegible] forged.

After all, you cannot just [illegible] join the [illegible] Country Club – [illegible] fund [illegible] joining fee, the [illegible] and [illegible] minimum [illegible] bills. You [illegible] to [illegible] – [illegible] they [illegible] know [illegible], how [illegible] you be [illegible] Even the oil-rich Wyatts, whose house [illegible] plush [illegible] Oaks [illegible] right out [illegible] club, have not yet been [illegible]. "Why not?" I asked [illegible] denizen of Houston society. "[illegible] just don't [illegible] of people," I [illegible].

But it is not all just fun. Old [illegible] born [illegible] on the old frontier principle [illegible] you [illegible] just take – you give back. [illegible] philanthropic projects are funded by dollars from Houston than almost any [illegible] city in the world. [illegible] one top lawyer put [illegible] me: "In this town, unless you put it back, you don't play. The women, for instance, won't shop in a store that will not [illegible] certain [illegible]."

Whereas Dallas seems green and orderly, Houston sprawls. [illegible] Texas they say that Dallas is [illegible] pretty city with [illegible] pretty inside, while Houston is [illegible] mess outside but much, much prettier within. [illegible] to arbi[illegible] the truth of the [illegible], Houston seems to spread and spread, so it is no [illegible] thinking that [illegible] can cover much ground with[illegible] a car of some sort – your own, [illegible] a friend, [illegible] a chauffeured limo. Valet parking [illegible] everywhere so that is one problem solved if [illegible] do decide [illegible] hire [illegible].

The Galleria in Houston [illegible] much like the one in Dallas (that old rivalry again) with an Olympic-sized skating rink, Saks Fifth Avenue, Macy's *et al*. Like the one in [illegible] you can stay at the adjoining Westin hotel and spend all day walking about in air-conditioned comfort. But bear in mind that here they dress just [illegible] shop.

There [illegible] hundred and one places [illegible] which to [illegible] or [illegible] proper meal, and you can buy anything from [illegible] chain-store bargain (there were wonderful bargain rails when I was [illegible] to a $5,000 number. [illegible] chain [illegible] to me was [illegible] Barrel, selling simple, high-quality household [illegible]. There [illegible] charming cotton check covered cushions for $9.95 a time, glass [illegible] holders for just [illegible].

'In this town, unless you put it back, you don't play'

Accenté has wild, [illegible] over the [illegible] ghastly but some [illegible] it, like an incredible pearl-encrusted sweater, [illegible]. The [illegible] Gallery [illegible] had [illegible] very exciting [illegible] innovative modern jewellery. The Turquoise Lady [illegible] fine turquoise [illegible] silver pieces.

Tootsies, [illegible] Westheimer, is currently THE hot fashion place. [illegible] cool, light [illegible] though quite large [illegible] made [illegible] intimate by giving [illegible] space [illegible] each designer. Here [illegible] find the big international names: [illegible] Karan, [illegible] Klein, Ralph Lauren, Moschino, Claude Montana, Givenchy [illegible] *al*. [illegible] though you [illegible] pick up an outfit of restrained interna[illegible] chic [illegible] could also come away, if that is your taste, with something much brighter and [illegible]. Round the corner is Tootsies Takes [illegible], [illegible] sies now has [illegible] permanent sale store.

If Tootsies does not have it, then try Isabell Gerhart, 1554 West Gray. Here Barbara Bush [illegible] Bushes [illegible] of their early [illegible] life in [illegible] and [illegible] are the Houstonites who claim [illegible] have been their bosom friends) and the black-belt-in-shopping bri[illegible] the most pampered [illegible] personal attention.

The Camp [illegible] at [illegible] Westheimer is close to [illegible] and is [illegible] Texan phenomenon, providing essential kit for that uniquely Texan rite of passage – the summer camp. This is where you buy all that fun camp [illegible] for kids, which would make marvellous presents for children [illegible] home. Houston mothers buy [illegible] Waldemar, Mystic or Stewart camp colours [illegible] many [illegible] each with its own colour), the T-shirts, shorts, [illegible] and Peyote Bird silver jewellery made by Indians [illegible] Fé.

[illegible] of Texas, [illegible] Oak Boulevard, [illegible] place to [illegible] for proper Texan leather[illegible] – everything from [illegible] to suede skirts, [illegible] and fine [illegible] and boots in every skin from rattlesnake to kangaroo.

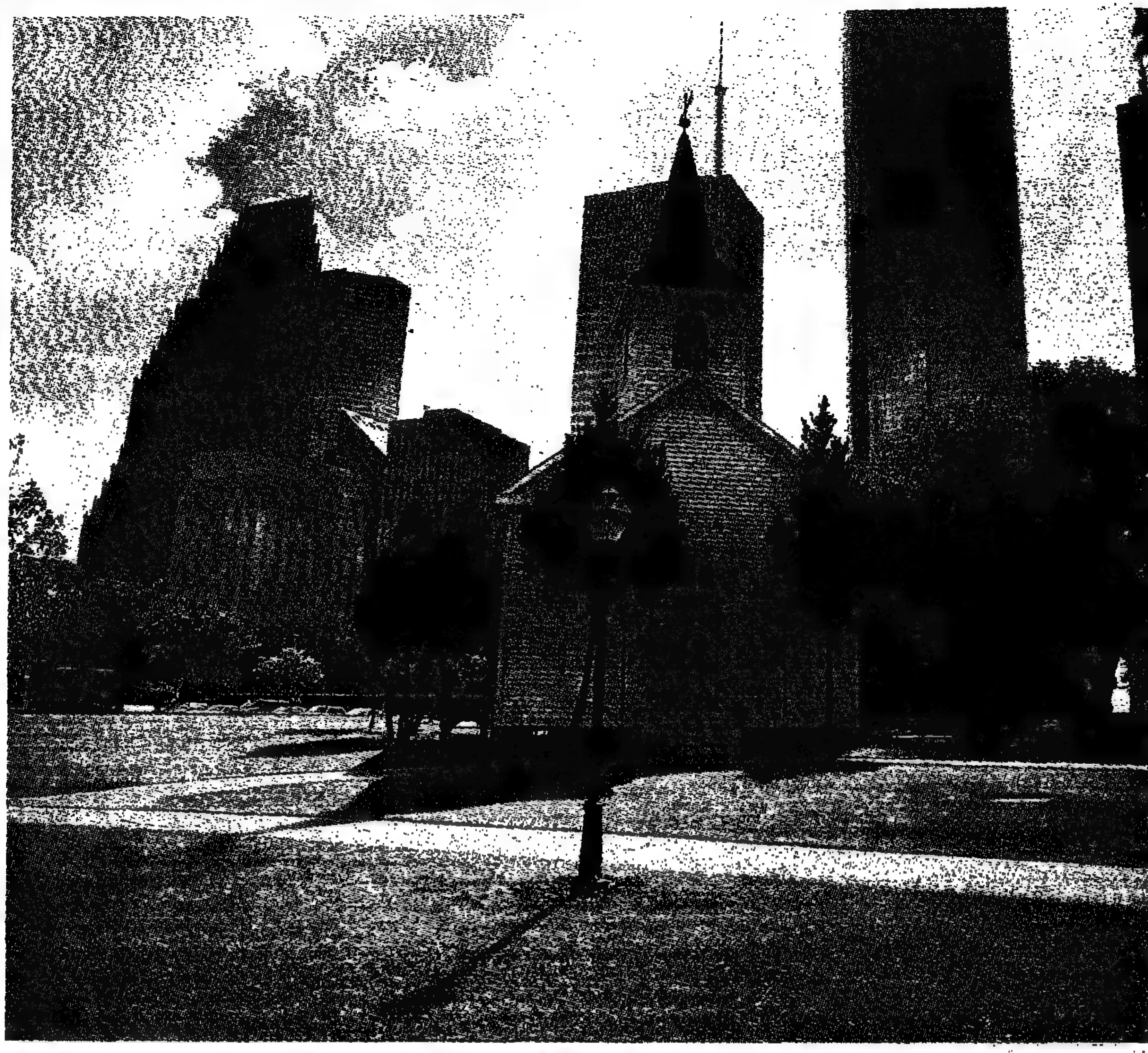
The Wooden Star, at 4344 [illegible] at Mid Lane, [illegible] good for uniquely [illegible] gifts and memorabilia. It also sells [illegible] King's Ranch [illegible] (see below) for those who [illegible] make it there in [illegible].

The Framery Gallery, [illegible] Felipe, is [illegible] charming shop for presents – lots of all those small pretty things Americans [illegible] in for such [illegible] candles, wind-vanes, pieces [illegible] art, quilts and [illegible]. Authentic [illegible] goods [illegible] not all that [illegible] find – [illegible] is [illegible] kitsch, [illegible] the drug-store culture, that [illegible] incredibly low prices [illegible] you will [illegible] to do [illegible] searching.

Accenting Americana, [illegible] Morningside, had a good [illegible] antique quilts and some very nice small, almost packable, antiques. A [illegible] old quilt will [illegible] $750 but there [illegible] many in [illegible] than perfect [illegible] much [illegible]. You just have [illegible] search around. For a list of antique shops in [illegible] around [illegible] River [illegible] and [illegible] University [illegible] write to Diane Nauck, c/o Memory [illegible], 1940 E. Allegro, Houston, [illegible] 77080.

If you are in [illegible] real [illegible] then The Phoenix, 111 North Post Oak Lane, is one of the country's grandest spas. Not cheap – but then think who you will be sharing [illegible] vitamins with . . .

The Houston Camera Exchange, 4014 Richmond, is a [illegible] place to buy or rent [illegible]eras, binoc[illegible] the like. Amazingly low prices. [illegible] and art are often [illegible] in the States – try The Menil [illegible] Bookstore (1520 Sul [illegible]) for [illegible] original [illegible] by young [illegible] and fine art books. Harwin [illegible] is the place for cut-price goods, for factory outlets and the all-important bargain, but you have to be prepared to look and sift – bargains vary from day to day [illegible] shop [illegible] shop.



Houston old and new: whether you're in the [illegible] or not, the whole city just loves [illegible] party

EATING OUT

"What [illegible] girls in [illegible] make [illegible] dinner?" goes the [illegible] crack. "Reservations, of course!" So it is [illegible] surprise to find that the city is filled with great places [illegible].

For a real Texas eating [illegible] go to [illegible] Co. [illegible] 8911 [illegible] Freeway – an amazing place with great mesquite-smoked food. For a [illegible] of old [illegible], book a [illegible] at The [illegible]ate House [illegible] Westheimer, [illegible] of the oldest restaurants in Ho[illegible]. It was once a private club [illegible] is still [illegible] place where white-coated waiters linger behind the chairs and [illegible] a big [illegible] is clinched. It is [illegible] on Tuesdays.

One [illegible] thing – you [illegible] at Tony's. Tony Vallone [illegible] Houston institution and though [illegible] visitor in town you are unlikely to be given pole position – and [illegible] nuances [illegible] whom [illegible] is wearing [illegible] may [illegible] you by – [illegible] special [illegible] and know that you are where it is at. Tony's [illegible] 1801 [illegible] Boulevard.

Tony's other restaurant, The Grotto, at 30/29 Westheimer, is [illegible] but a [illegible] of fun, either at lunch-time [illegible] night. [illegible] Italian food, delicious pizzas and [illegible] style salads.

DOWN TO THE COAST

If you [illegible] going [illegible] coast, [illegible] in Galveston, where many [illegible] a [illegible] house, or to Corpus Christi, a charming little [illegible]side town further along the coast, you will [illegible] something [illegible] what [illegible] small town life used to be. It [illegible] like revisiting [illegible] sweeter, more old-fashioned time.

[illegible] happy rummaging [illegible] patchwork quilts [illegible] spoons, for wrought-iron cribs and country-style artefacts can be had [illegible] and [illegible] antique and bric-a-brac shops [illegible] Corpus Christi. Totally [illegible] the [illegible] sells a [illegible] of antiques and Western artefacts, [illegible] you could [illegible] well [illegible] either [illegible] the [illegible] Oyster [illegible].

Take a trip to King Ranch in nearby Kingsville and you will get some idea [illegible] the [illegible]ness [illegible] the Texan landscape. Here, in what [illegible] known as the Wild [illegible]ert, [illegible] legendary Texan ranch founded by one Captain Richard King way [illegible] in the last century [illegible] still embodying something of the myth and spirit of Texas, [illegible] Texans know them and the world imagines them.

[illegible] they [illegible] Gertrudis cattle and regi[illegible] the first American Quarter [illegible]. The tour of the ranch itself is disappointing (n[illegible] bucking [illegible]boys, lots [illegible] well-fed dozy-looking cattle) but the King Ranch Saddle Shop is the real draw. It stocks marvellous [illegible] and canvas products, from its well-known Armstrong Bag to belts and wallets, luggage tags, saddles and boots, as well [illegible] clothing [illegible] jewellery. And [illegible] don't have to go there to buy its [illegible] – [illegible] has an [illegible] full colour brochure [illegible] ships goods worldwide. [illegible] the brochure to: King Ranch Saddle Shop, [illegible] Box [illegible], Kingsville, [illegible].

SAN [illegible]

Do not miss San Antonio – home, [illegible] the Alamo. Its atmosphere is quite differ[illegible] from Dallas [illegible] Houston – gentler, more relaxed, [illegible] in style. Its days as [illegible] hell-raising, sinful city in the [illegible] seem long gone, although you catch echoes in the bar of the Menger Hotel [illegible] in 1898 Teddy Roosevelt recruited his "few good men who [illegible] ride a horse, shoot a gun, and want to [illegible] their country."

What do girls in Houston make for dinner? Reservations . . .

[illegible] River Walk, [illegible] Alamo, a walk around [illegible] fine Victorian [illegible] built by [illegible] German bourgeoisie in the [illegible] William district, topped [illegible] with a visit to La Villita: [illegible] all well worth doing in San Antonio.

[illegible], which means little town, is an enchanting small area of [illegible] streets and pre[illegible] houses which today [illegible] host to [illegible] gaggle of small [illegible] enterprises. You can find original works of art for less [illegible] buy some [illegible] wood, fine Mexi[illegible] silver and turquoise jewellery, pick [illegible] a fistful [illegible] tatty T-shirts (if you must), [illegible] antiques or find some marvellous Mexican Indian wares (proper wool blankets [illegible] each, [illegible] example).

All along and [illegible] river walk [illegible] are [illegible] shops than you will care [illegible] know about. However, there [illegible] some [illegible] (which is generally [illegible] begin in San Antonio) and [illegible] and [illegible]ably priced. In particular look out [illegible] the jewellery, the pottery and some of the woven blankets and shawls.

La Mansion del Rio, just by the River Walk, is a good hotel to stay in – it has an authentic Southern, almost Spanish air [illegible] was once a convent) [illegible] though its food is no great shakes it is within walking distance of almost everything and is very reasonably priced.

Try and go at Fiesta time in April (next year from 18 – 26) when the whole town turns out to celebrate and even the latest visitor in town gets caught up in some of the fun.

And finally . . . if you find yourself going further afield to Salado, a graceful one-time stagecoach stop which is part of old frontier history, call in on Grace Jones, a one-time New York fashion model now nearly 70 who still runs her own haute couture business here.

HOW TO SPEND IT – FASHION

[illegible]graphs: Trevor Humphries

The rough and the smoothie: the old, brutish Woodsworth (left) and the new models – chic in Gianfranco Ferre cashmere jacket, city slick in double-breasted Giorgio Armani suit and (right) sleek in Umberto Ginocchietti ensemble – courtesy of Amanda Platt

A new man about town, for just £1,148

*After years in Africa **Nicholas Woodsworth** felt out of place in fashionable London – so he visited fashion consultant Amanda Platt . .*

"PLEASE, Lucia," I implore Ms van der Post one Friday afternoon as she tidies the litter of perfume bottles, kitchen accessories and fabric samples swamping her desk, "I'd like a word on a personal matter." The How To Spend It editor sets down a cast-iron oven casserole to give me her full attention. "It's just that . . . well . . . I'm not the same as other men. I need help."

I am, indeed, not the same as other men in stylish London. It is my clothes. If they do not suit me terribly well, they suit this city even less. Ever since I moved here some months ago, I have noticed that nothing I wear seems to fit in. My suits would have me barred from City boardrooms. Eyeballs roll upwards when I attempt casual elegance in West End wine bars. Fashionability is not something I even dream of – my own version of it would have the trendies of the advertising and PR worlds dying with hoots of laughter. Getting rid of my moustache has made no difference at all. A new wardrobe is my last hope.

How desperate are my straits? Fairly desperate, as those of recently-returned foreign correspondents sometimes are. These are people who wear dirty macs from a sense of duty – the role virtually encourages the wearing of tasteless paraphernalia.

Some examples of my bedroom-closet tackiness? A cheap "24-hour suit," tailor-made on a Hong Kong stopover, that looks more as if it were made in half an hour; an Airey and Wheeler travelling suit in uncrushable pinkish polyester; a dung-coloured banker's three-piece purchased in Kansas City 15 years ago; a flock of Hawaiian-style shirts bought wholesale in a Jakarta warehouse; a pair of Zambian army boots; socks and underwear stretched into unrecognisable shapes by Lagos hotel washing machines. The list is endless, but you will have the idea by now.

The truth is that, apart from rare attacks of impulse buying, I am just not very interested in clothes, know little about them and do not really care to know much more. My idea of shopping these days in London is rushing into Marks & Spencer, grabbing an armful of things that look all right, and getting out again before Oxford Street claustrophobia sets in. But at the same time – and, I suspect, like most men – I would like to feel that I am well-dressed and look good.

"Sort me out, for God's sake," I say to Lucia after explaining all this. But, for once, the FT fashion sage cannot tell me how to spend it. Like everyone else t[illegible] days, she is short of time a[illegible] preparing to rush off to an airport and a distant southern destination.

Suddenly, though, a thunderbolt strikes. "I know just the person you need," she exclaims as she heads out the door. "Her name is Amanda Platt and she specialises in hopeless cases like yours. She is wonderful. Give her a ring and you'll be transformed." I did, and I was.

Amanda Platt is a professional fashion consultant. A former model and UK distributor for a Paris house of *haute couture*, she takes on ladies who may be formidable on television news screens or behind corporation desks but who, all the same, are lousy dressers. It is astonishing, she says, just how many professional people have not the time, the inclination or the taste to shop wisely or dress well. Amanda, however, will do it for them. Recently, she has taken to doing over men, too, and appears to be very good at it. I decide to ask her to dress me.

We whiz down to Matches of Wimbledon Village, a south-west London clothing shop that, after detailed interrogation and intimate perusal, Amanda decides is right for me. Along the way she tells me that, if she can get a man out of his office by 11 in the morning, she can have him back by three in the afternoon fully equipped with a new look, a new haircut and a new wardrobe complete right down to his Y-fronts. His wallet, of course, will also be some[illegible] thinner; part of its con[illegible] will have gone to Amanda's £200 consultation fee.

That sounds like quite a lot for telling someone what trousers to wear with what shirt, and I tell Amanda so. "Absolutely not," she replies. "In the end, I will save you a good deal of money. You would make expensive mistakes buying a new wardrobe; I won't. I've been in the business for years, got a good eye, know all the shops, and know what kind of clothes go with what kind of people. Do you?" I have to admit that I do not.

Amanda says she simply provides a service for busy people but, if you allow her, she will get right down to the nitty-gritty. "At the outset, I give clients the choice: do you just want me to go out and buy some clothes with you, or will you allow me to let loose and tell you exactly what I think of the way you look and dress?" I consider for a few seconds. Can it be that bad? For £200, why not get the whole picture in detail?

It is that bad. "Look at yourself," Amanda says in Matches, placing me in front of a full-length mirror. "You've got something of the criminal element, something of the brute about you. What we need to do is soften and [illegible]vilise you." I nod my head. I knew it all along.

And so, for three hours, I am softened and civilised. Amanda commands, Tom and Olivier – Matches' hospitable staff – execute, and I transmogrify rapidly. It is a strange and rather pleasant sensation.

David, from the hairdresser down the high street, comes in, snips away and, in three minutes, has me feeling very trendy. Then Amanda puts me into the kind of clothes worn by advertising executives who sneer at people like me. "You could get away with this in Paris or Rome, but probably not here," she says as I slip into a £490 Gianfranco Ferre black and white double-breasted cashmere jacket and accompanying duds – Ferre black wool trousers (£175) a John Smedly merino wool turtleneck (£155), a £100 silver-buckled belt by Serge Entmasser, and black suede lace-ups of the brothel-creeper type.

"Most Englishmen are leary of dressing [illegible] fashionably like this," says Amanda. "It is considered rather vulgar, a bit flash, to be too well-dressed." I walk around for a while on the footpaths of Wimbledon and end up agreeing with most Englishmen – these clothes may be expensive but they make me feel a bit cheap and untrustworthy.

We try, for comparison's sake, the other extreme – I become a boardroom banker of conservative good taste. At Amanda's bidding, I put on a Georgio Armani grey wool suit (£580), a Cerruti cut-away rib cotton shirt (£84), and a Cerruti silk tie (£45). The belt, by Gianfranco Ferre, is only £65 this time but the saving is cancelled by an Il Bissonti document folder for [illegible]

It all makes me feel highly trustworthy and capable of walking into any boardroom in the land. But who spends all his time in boardrooms? For our third and final shot, I ask Amanda to fit me out with a wardrobe that is versatile, comfortable, casually elegant, and brings out the real person lurking behind my brutish exterior. I make one further stipulation: it all has to cost less than £1,200.

Amanda runs her knowing eyes over stacks of shirts, racks of jackets, rows of trousers and coats. For me, the choice would be quite literally agonising, [illegible] that I might not begin making [illegible] next Tuesday, if at all. But, in minutes, she has assembled a wardrobe that has made a different and happy me.

I am, it appears, an Umberto Ginocchietti man. The Italian designer provides me with a cashmere/wool jacket for £350, a wool shirt for £150 and wool trousers for £135. Amanda's other choices are an Il Bissonti plaited belt (£55), a TSE cashmere hand-knit sweater for £295, Byblos cord trousers for £70, a £36 Missoni tie, and underwear by John Smedly (socks £10, boxer shorts £27, T-shirt £20). Total cost: £1,148.

Do I really need, and would I really buy, a pair of boxer shorts at £27? Probably not. But, for the first time in my life, I feel – and hope I look – elegant. It is a good feeling. I am loath ever again to dig out the dung-coloured suit, the Jakarta shirts, the Lagos unmentionables. From now on I am a brave new man, one that Lucia van der Post herself might fail to recognise.

ADDRESSES

[illegible] Platt may be contacted at 28 Holland Park Avenue, [illegible] W11 3QU, tel: 071-229 8109. Her £200 consultation fee includes the right to seek clothing advice from her for one year following wardrobe purchase.

■ Matches (38 High Street, Wimbledon SW19 5BY, tel: 081-947 8707) is one of a number of men's "one-stop" fashion shops recommended by Ms Platt. Others include bespoke tailor P.A. Crowe, of 11 Ludgate Square, EC4M 7AS, tel: 071-489 9418; Agnes B, 111 Fulham Road, SW3 6RL, tel: 071-225 3477; Joseph, 77 Fulham Road, SW3 6RE, tel: 071-823 950; Emporio Armani, 187/91 Brompton Road, SW3 1NE, tel: 071-823 8818; Kenzo, 28 Brook Street, W1Y 2PD, tel: 071-409 1822.

■ For younger men and thinner wallets, Amanda recommends the following: Hacketts, 65a New King's Road, Fulham, SW6, tel: 071-731 2790; Woodhouse, 411 Oxford Street, W1R 1FG, tel: 071-629 2017; Next, 48 Cheapside, EC2V 6AT, tel: 071-248 0268, and other high street locations.

■ Nicholas Woodsworth's hair was cut by David of Keo, 19 High Street, Wimbledon, SW19 2JE, tel: 081-946 9684. Ms Platt highly recommends Aldo at Scissor's Palace, 122 Holland Park Avenue, W11 4UA, tel: 071-221 4004; and Paul at Edmond's, 49 Beauchamp Place, SW3 1NX, tel: 071-589 5958

How to Mend It

Hit the trail in good repair

STRENUOUS sport, rough games and outdoor activities can take their toll on clothing and equipment, but if you are fond of a tennis racket or have broken in a rucksack you may well prefer them to shiny new replacements. Here are some companies that can come to the rescue.

Berghaus, Unit 1, Stephenson Industrial Estate, District 12, Washington, Tyne and Wear, NE37 3HR. Tel: 091-415-0200

Rucksacks, anoraks, kagouls and waterproof leggings can be repaired by Berghaus for a fraction of the cost of buying new. Berghaus operates a postal repair service, with prices including return postage and VAT, as well as a mail order service for buying new. Rucksack repairs range from replacing a missing buckle to replacing the whole back, and can cost between £11.75 and £29.

If you have been unlucky enough to fall off a mountain taking your rucksack with you, rebuilding it will cost between £20 and £40. Gore-tex clothing can be patched for £15.35 or receive new sleeves for £35.25, while Pulerwear items cost £11.75 for patching, £23.50 for panel or sleeve replacement. Re-randing gaiters – replacing the rubber band on the bottom – costs £14.95 a pair.

Len Smith, 36-40 Heath Road, Twickenham, Middlesex, TW1 4DB. Tel: 081-892-2201. The tennis pros often rely on Len Smith's ace restringer John Eisses, and you can too. He will restring squash, badminton or tennis r[illegible]s from £9.95 using synth[illegible] string. Retaping handles costs from £2.50.

Nautilus, 197-199 Mare Street, London, E8 3QF, Tel: 081-985-0752. Nautilus says it is probably the largest stockists of spare parts for diving equipment in Europe. It can repair "virtually anything" that is available in the diving equipment field, and will tell you whether it is economical to do so. Snorkel masks needing a new strap cost between £1.50 and £6.50. A replacement snorkel lock – which attaches the snorkel to the mask – costs about 75p, while the "quick release" version is priced at £3.

If you have lost a flipper, Nautilus might sell you one to replace it, but only for more expensive pairs. Its on-site calibration service for depth gauges costs £2.50, while a full service for regulators costs £18. Items come for repair by post from as far away as Australia.

Cheshire Shoe Repairs, 43 Folly Lane, Warrington, Cheshire, WA5 5ND. Tel: 0925-414945. Trainers needing new road soles cost £8 a pair, with an extra £4.75 if new mid-soles are also needed. Walking boots will set you back £20 a pair for new Vibram soles, plus £7 for re-middling. Resoling rock boots costs £18 a pair, while re-randing them costs £25. They also patch boots, and can replace eyes from £1.50. Postal orders come from across the UK and from continental Europe and work takes about a week.

Hilary de Boerr

Past master of the vanishing trick

***Anthony Curtis** considers [illegible] honest author but [illegible] elusive [illegible]*

THE EARLIER biography by Bernard Crick, *George Orwell: A Life* (1980) [illegible] also "authorised". Sonia Orwell, his widow, and [illegible] authorised it but when she discovered the kind of [illegible] Crick was writing about her husband she tried, unsuccessfully, to de-authorise it. After [illegible] had studied [illegible] material for some time, Crick, [illegible] professor of politics by profession, came to [illegible] conclusion that [illegible] write a biography of a man [illegible] complex [illegible] [illegible] really impossible. [illegible] explained – and [illegible] den, Orwell's latest biographer [illegible] – [illegible] Orwell liked [illegible] keep [illegible] [illegible] watertight compartments. You could know [illegible] and be [illegible] quite intimate terms with him and yet have no idea who [illegible] other men and [illegible] friends, or [illegible] professional colleagues, [illegible]

[illegible] biographer could do, [illegible] Crick, was [illegible] give a [illegible] of often contradictory vignettes [illegible] Orwell [illegible] appeared [illegible] [illegible] people. If you [illegible] many literary biographies [illegible] my way for review, you [illegible] realise [illegible] that conclusion applies [illegible] merely [illegible] Orwell [illegible] many other writers [illegible] well.

The [illegible] resulting from Crick's investigation [illegible] full [illegible] interest, but [illegible] satisfy the needs of [illegible] ever-growing band of Orwellians who required [illegible] story of their hero's life told as a coherent narrative. Sonia Orwell died shortly after Crick's book was published, and Mark Hamilton, the literary agent, became [illegible] of the Orwell estate. Hamilton, impressed by [illegible] reception given to the book, *[illegible] of Promise: Cyril Connolly and the [illegible] of [illegible]* by [illegible] Shelden, [illegible] [illegible] English [illegible] Indiana State University, [illegible] him [illegible] write a fresh [illegible] more [illegible] biography. It was [illegible] good [illegible] it has produced a [illegible]

Shelden writes clearly and insightfully and he has [illegible] in his research. [illegible] had access to [illegible] extensive Orwell [illegible] at University College, London, and for oral tradition about Orwell [illegible] cast his net widely. Although by the [illegible] Shelden started work [illegible] Orwell's colleagues on [illegible] longer alive, [illegible] to interview David Astor, who played an important part at the end [illegible] Orwell's life when [illegible] was working regularly for the *Observer* and who was present in [illegible] bedside wedding of Orwell [illegible] Brownell, when [illegible] writer was dying [illegible] in a London hospital.

Here, then, in full is the [illegible] of Eric Blair (his birth-name) from his [illegible] background [illegible] sickly son [illegible] retired opium inspector in [illegible] Indian Civil Service [illegible] universally acclaimed author [illegible] *Animal Farm* in 1945. [illegible] on the way include St. Cyprian's, [illegible] which he said he hated and where he met [illegible] of [illegible] future editors, *Cyril Connolly; Eton*, where [illegible] was [illegible] King's [illegible] but not a great academic success; Burma, where he joined the imperial police for his first [illegible] and where he watched [illegible] elephant being shot [illegible] [illegible] a famous essay.

Then [illegible] his critical [illegible] with [illegible] long spell in hospital [illegible] by recovery, retirement [illegible] a writer. For years he contrived [illegible] live, and take out girlfriends, [illegible] pittance. [illegible] felt [illegible] empathy with tramps [illegible] outcasts that he [illegible] and actually became one for [illegible] time in London and Paris, translating the experience [illegible] new [illegible] of book. It won [illegible] early recognition. [illegible] describes Orwell's uneasy relations with Victor Gollancz, [illegible] publisher, who [illegible] for [illegible] demanding alterations, both on grounds of libel and [illegible] accord with VG's Soviet sympathies.

The young Orwell [illegible] of [illegible] things [illegible] struggling writers [illegible] keep going – working [illegible] bookshop, teaching, reviewing, sponging [illegible] scrounging, and, [illegible] fast as [illegible] could live it, putting his precarious [illegible] into autobiographical novels. [illegible] was [illegible] invent much. [illegible] he [illegible] was enough for him, particularly when [illegible] journeyed up to Wigan to investigate life in the pre-war north among a mining community; [illegible] he [illegible] to Spain to fight Franco, not as a [illegible] of the International Brigade but in the ranks of POUM, [illegible] breakaway socialist [illegible]

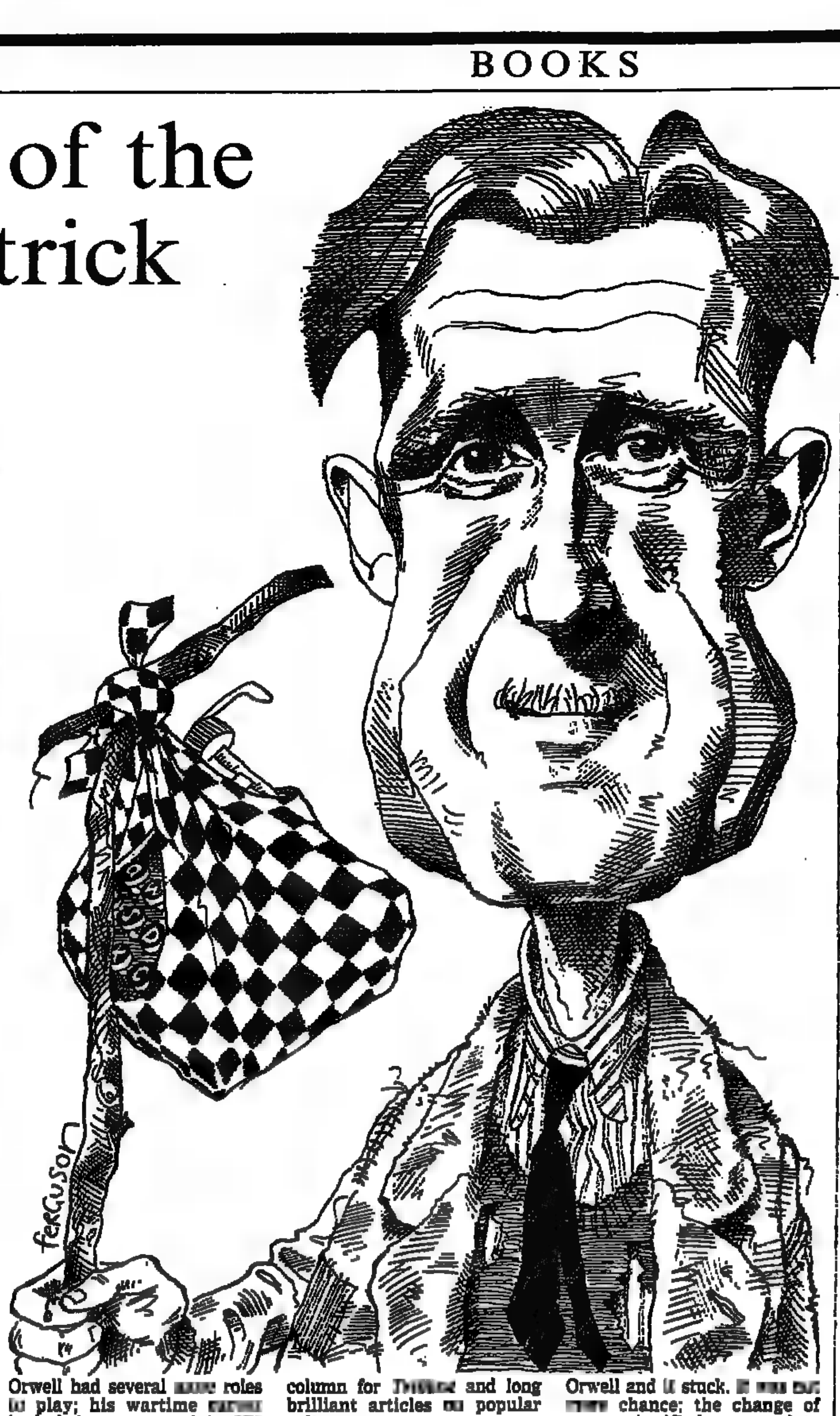
[illegible] revealing about [illegible] under fire. He also goes – as did Crick – carefully [illegible] confused sequence of [illegible] by which [illegible] was sold down the river by [illegible] Communists [illegible] its [illegible] prison. It still remains [illegible] thoroughly murky business, but it was [illegible] brought on in Orwell by [illegible] betrayal [illegible] led to [illegible] masterpieces. After that, Orwell had several [illegible] roles [illegible] play; his wartime [illegible] included [illegible] command in [illegible] Home Guard and talks produced [illegible] the BBC World [illegible] vice Indian [illegible]. On [illegible] domestic front, [illegible] making [illegible] number [illegible] proposals that were turned down, he married Eileen O'Shaughnessy, an [illegible] graduate and [illegible] of psychology.

[illegible] the shopkeepers [illegible] a vil[illegible] couple more [illegible] less acted out Shaw's comedy *A [illegible] Wooing*. [illegible] a child, but he seems to have been sterile and they eventually adopted a [illegible]. Then they [illegible] exiles on [illegible] isle of Jura, tending goats and sheep [illegible] writing and studying. This was [illegible] reaction to the superhuman [illegible] made as [illegible] London-based journalist, writing [illegible] reviews in one year, [illegible] well as [illegible] "As I Please" diary-type column for [illegible] and long brilliant articles [illegible] popular culture.

Much [illegible] this output was reprinted in the [illegible] *Essays, Journalism and Letters*, but that is now being superseded by *The Complete Works*, nine [illegible] have already appeared, [illegible] remainder being scheduled for publication in 1993. [illegible] would [illegible] and delighted by such scholarly attention. He died in 1950 [illegible] he could fully enjoy the rich [illegible] *1984*.

All the [illegible] are here, [illegible]ably related, and yet . . . and yet . . . Once again, we feel, the fellow [illegible] his vanishing trick and has [illegible]. At [illegible] certain point Eric Blair turns into George Orwell and we never quite understand why or how. It was one of several [illegible] *plume* he [illegible] Gollancz. Another [illegible] H. Lewis Allways. Gollancz plumped [illegible] Orwell and [illegible] stuck. [illegible] chance; the change of name signified a complete transformation of his personality, as complete as Conrad's [illegible] he [illegible] his authorial English name.

Both [illegible] had [illegible] loyal and successful [illegible] imperialism – [illegible] in [illegible] Navy; Orwell in the [illegible] Police. Both saw [illegible] fatal [illegible] in [illegible] paternalism of which they were the instru[illegible]. Both [illegible] to [illegible] English language [illegible] reveal how [illegible] system [illegible] in practice. [illegible] Conrad, Orwell had a native ear for the language which he refined [illegible] the direction of greater simplicity, directness and honesty. The story of how he did it still remains to be told. This book [illegible] for the moment be [illegible] "authorised" biography, [illegible] well worth reading, but I [illegible] not think [illegible] will [illegible] last.



ORWELL: THE AUTHORISED BIOGRAPHY
by Michael Shelden
Heinemann £18.50, 564 [illegible]

Circumnavigating Columbus

*As the quincentenary year draws closer, **Andrew St George** finds the seas somewhat crowded*

IN 1484, Christopher Columbus wanted [illegible] from Europe to [illegible] Japan. In 1492 he tried, [illegible] and on October [illegible] stumbled across the Bahamas. The Columbus story compels because [illegible] fixes [illegible] moment in history [illegible] technology, economics and imagination produced a [illegible] of faith. Columbus had read Cardinal D'Ailly's *Imago Mundi*, [illegible] Polo's *Travels*, and *The Travels of [illegible] Mandeville*; from these he [illegible] scope, opportunity, [illegible] wonder [illegible] the [illegible] World promised.

Columbus [illegible] born in [illegible] (1451), [illegible] shipwrecked [illegible] Lagos (1476), married [illegible] Portuguese aristocrat (1479), moved to Madeira (1480-82), petitioned unsuccessfully in Lisbon [illegible] fund the [illegible] west, [illegible] Portugal in [illegible] after his [illegible] death. In Spain, [illegible] was [illegible] by friars [illegible] Palos; he [illegible] the Spanish monarchs [illegible] in [illegible] until [illegible] of Granada, [illegible] new Spain [illegible] of Moors [illegible] Westward sigh [illegible] Columbus's [illegible]

[illegible] archives [illegible] of [illegible] major [illegible]temporary [illegible] (mostly in Seville [illegible] Genoa), [illegible] books (a biography by Columbus's [illegible], and *[illegible] History of [illegible]* by Bartolome [illegible] Casas), and an increasing [illegible]ber of contemporaneous accounts. These originals [illegible] spawned an [illegible] of biographies, [illegible] fictions; in 1992 the Columbian seas are somewhat crowded. Charting their way through [illegible] Davies, Stephen Greenblatt, [illegible] – tangentially – J.H. Elliott; charting their way along Columbus's Atlantic route are John Dyson and [illegible] Knox-Johnson.

Hunter [illegible] *In [illegible] of [illegible]* amounts [illegible] two books: one is a lucid account of Columbus's origins in Genoa, his eight [illegible] petitioning in Portugal [illegible] lobbying at the itinerant Spanish court; [illegible] other [illegible] a lightweight [illegible] diverting Columbus update which [illegible] to Italy, Portugal, Spain, [illegible] Haiti, [illegible] and [illegible]. [illegible] history, this [illegible] accessible and unpretentious; it gives [illegible] view [illegible] Columbus [illegible] set [illegible] fame [illegible] burgeoning [illegible] honestly squares up to the Columbus conundrums: how [illegible] he [illegible] navigation? what kept him *en* [illegible] [illegible] the Canaries? – besides [illegible] charms of Beatriz [illegible]

Stephen Greenblatt [illegible] six researchers who helped revive [illegible] Carpenter and [illegible] with Columbus [illegible] finish, inevitably, with Montaigne's wonderful "Of The Canibales". Greenblatt's capacious mind has circumnavigated [illegible] Renaissance world in his excellent *Shakespearean Negotiations*, [illegible] in *Marvelous [illegible]* [illegible] hardly clears [illegible] harbour. Where he [illegible] on the technologies [illegible] writing) used to legitimate Europe's claim to the newly discovered land, his writing teems with apt insight. But [illegible], trenchantly scholarly, run [illegible] thrust of history. He hears Columbus's founding speech [illegible] the [illegible] World as "a misfire, [illegible] misinvocation, [illegible] application and [illegible] misexecution." "Aye," as Samuel Purchas [illegible] in his 1625 *Pilgrimage*, "And what then?"

The more practical John Dyson crossed the Atlantic in a replica of Columbus's *Nina*. In *Columbus*, he recounts the well-known Columbus pre-history, explains the navigational equipment available, explores the probable landfall (Grand Turk Island [illegible] vote over San Salvador [illegible] Cay), and muses "It is possible that the world's greatest dis[illegible] buried beneath a [illegible] in a [illegible] that now stands on the site of the old convent" in Valladolid (Spain) where [illegible] died in 1506. This [illegible] beautifully illustrated from contemporary [illegible] and current photographs (by Peter Christopher) on paper which must make those New World rain [illegible] fear.

The [illegible] tangible [illegible] bunch [illegible] Robin Knox-Johnson's *[illegible] Venture*, which records [illegible] single-handed [illegible] tracking Columbus's original [illegible] only an [illegible], a quadrant and [illegible] non-corrected compass. [illegible] reckoning from the course [illegible] and distance [illegible] allowed Knox-Johnson, like Columbus, some certainty of latitude but [illegible]tude; in the end, he was 24 miles out over the 3,000 mile voyage to San Salvador. He gives a [illegible] sense [illegible] the practical [illegible] faced, and [illegible] closely in touch with Columbus's log-journal, the *diario*.

Columbus returned three times to the New World. The after-history in the [illegible] is familiar; so *The Hispanic World* (edited by J.H. Elliott), a profusely-illustrated collection of essays from scholars worldwide, should have felt freer to explore, particularly in South America. Amazingly, [illegible], Colombia and Ecuador together receive barely [illegible] dozen references. Simón Bolivár was right, in getting rid of European influence he had merely "ploughed the sea."

IN SEARCH OF COLUMBUS
by Hunter Davies
Sinclair-Stevenson £16.95, [illegible] pages

MARVELOUS POSSESSIONS: THE WONDER OF THE NEW WORLD
by Stephen Greenblatt
Clarendon Press £22.50, 202 pages

COLUMBUS: FOR GOLD, GOD & GLORY
by John Dyson
[illegible] & Stoughton £19.95, 228 [illegible]

THE COLUMBUS VENTURE
by Robin Knox-Johnson
[illegible] Books £15.95 208 pages

THE HISPANIC WORLD
edited by J.H. Elliott
Thames [illegible] Hudson £28, 272 pages

Christopher Columbus

A sensationalist in fact and fiction

THE new biography of Wilkie Collins by Catherine Peters, *The King of [illegible]*, [illegible] a wonderful [illegible] study in Victorian morals. The popular nov[illegible] of the day [illegible] envied the unashamed [illegible] of [illegible] romantics [illegible] previous generation, sometimes flirting with [illegible] little mild Byronism in their youth. At the [illegible] time they [illegible] acutely conscious [illegible] social responsibility. They felt they had power [illegible] shape the atti[illegible] of their readers, and they [illegible] hard-won victories [illegible] respectability [illegible] corruption. [illegible] result [illegible] kind [illegible] institutionalised hypocrisy.

Dickens, concerned though he was [illegible] promote further reform, [illegible] great care not [illegible] shock his [illegible] beyond a certain point [illegible] tolerance, particularly in [illegible] love, sex and family. The conventional [illegible] virtue triumphant, of pure submissive women and of [illegible] sentimental domesticity, [illegible] in his hands. In [illegible] private life he might [illegible] whoring [illegible] enjoy [illegible] long [illegible] with [illegible] bimbo actress, but publicly [illegible] continued [illegible] present himself as [illegible] respectable family man, [illegible] his portrait continued [illegible] hang in innumerable parlours [illegible] inspiration for [illegible] and young alike.

Wilkie Collins, his close friend for [illegible] travelling [illegible] Dickens, exploring [illegible] poorer areas [illegible] London [illegible] elsewhere, observing and occasionally sampling. Both men were [illegible] long serialised novel. They knew how [illegible] keep [illegible] in [illegible] from [illegible] week, waiting for [illegible] next, [illegible] yet unwritten, chapter, and they were skilful at adapting real life experiences. [illegible] reason why [illegible] make [illegible] excellent television [illegible] that they were originally written in epi[illegible]

But Wilkie Collins took a dif[illegible] too, [illegible] huge success [illegible] *White*, was a public figure with [illegible] watchful readership, but [illegible] and [illegible]. [illegible] lived openly for many [illegible] with [illegible] woman without undergoing [illegible] ceremony [illegible] marriage. Latterly he maintained [illegible] households with [illegible] trouble, it would seem, [illegible] most men find in one. He appears to have [illegible] largely [illegible] a [illegible] class. Wilkie, [illegible] everyone called him affectionately in recognition [illegible] pomposity, comes [illegible] as a likeable man. While [illegible] flaunting [illegible] irregular life [illegible] shouting [illegible]ance, he remained determinedly exempt and, contrary [illegible] all expectation, [illegible] only minor inconvenience as [illegible]

In his novels too Wilkie [illegible] ignored the normal pieties. [illegible] wrote perceptively and sympathetically of cold marriages, of dishonoured women, and of gender ambiguity. In his families unwanted relatives are packed off to [illegible] immured in [illegible] asylums. Crime, [illegible]ally [illegible] collar crime, [illegible] pay, and his unforgettable villains [illegible] only [illegible] no remorse, they positively enjoy [illegible] of evil. Wilkie Collins was the first novelist fully to exploit the potentialities [illegible] crime. [illegible] *Moonstone*, with its intricate plot, [illegible] clues, [illegible] innovative structure, and its mirroring [illegible] larger themes, is not only the first true detective story, but [illegible] in [illegible] own right.

Catherine [illegible] is a careful biographer. She [illegible] much that is [illegible] and she shows convincingly how closely [illegible] works [illegible] related [illegible] the life. [illegible] stands well back, modestly avoiding generalisation and speculation but offering occasional helpful suggestions. Although writing [illegible] a [illegible] writer, [illegible] own even [illegible] approach [illegible] growing confidence, [illegible] the later descriptions [illegible] the novelist's long struggles [illegible]h illness [illegible] all the more moving through being unadorned. She [illegible] fascinating story plainly told.

William St Clair

THE KING OF INVENTORS: A LIFE OF WILKIE COLLINS
by Catherine Peters
Secker & Warburg £20, 498 pages

Why America wanted Nasser down but not out

H[illegible] ON [illegible] Keith Kyle's [illegible] comes another study which, although relatively slight by comparison, provides impor[illegible] new material [illegible] prompts reflection both on [illegible] wider dimensions [illegible] and on the contrasting, indeed [illegible]flicting, roles played by the CIA and SIS. The result is [illegible] genuine contribution [illegible]temporary history, [illegible] all in [illegible] Anglo-American relations, which [illegible] in value [illegible] being written with refreshing clarity and [illegible] the author's declared determina[illegible] his analysis [illegible] conclusion further [illegible]

Mr Lucas is [illegible] young American academic teaching in Britain. Either because [illegible] or despite his [illegible] conditioning, [illegible] reveals [illegible] fully even than Kyle the depths of antagonism between Eden and Dulles and, at a subordinate level, [illegible] of [illegible] Foreign Office and [illegible] two committed anglophobes, Herbert Hoover Jr and Secretary of the [illegible] Treasury George Humphrey.

[illegible] antagonism [illegible] Eden's case – fundamental Middle [illegible] policy disputes [illegible] – reflected his almost frantic determination [illegible] match Churchill [illegible] leadership; his half-con[illegible] awareness [illegible] not do [illegible] his worsening health: [illegible] all, [illegible] nature so [illegible] to real or imagined flights that his rival R.A. Butler, [illegible] as always, but on this [illegible] cruel, described him as "half mad baronet, half beautiful woman". This refer[illegible] Eden's complex family background [illegible] indicating how unable he [illegible] to [illegible] up [illegible] of very tough operators in Washington, who knew exactly [illegible] they wanted for the [illegible] in the Middle [illegible] Britain [illegible]

The key quotation in Mr Lucas's account is [illegible] "The Foreign [illegible] did not [illegible] that [illegible] US relations with a newly-nationalist [illegible] was in [illegible] hands of the CIA, [illegible] had [illegible] to be rid [illegible] Nasser". For the CIA [illegible] the [illegible] Department and, indeed, the US [illegible] as [illegible] whole, led [illegible] negligently by Eisenhower, [illegible] president more than willing [illegible] foreign policy making to John [illegible] and execution to his brother Allen, [illegible] Central Intelligence and [illegible] immensely more experienced Washington hand than the [illegible]retary [illegible]

Ostensibly, and in Operation Omega, Washington [illegible] London were agreed before "Suez" in cutting [illegible] down to size, as [illegible] dangerous fellow [illegible] could harm an Anglo-American "presence" in [illegible] Middle East by susceptibility [illegible] war machinations. Hence illusions in [illegible] Foreign [illegible] indeed in Eden's Cabinet, about [illegible] with [illegible] US.

[illegible] reality was very different, although it did [illegible] finally dawn on Eden, his colleagues and subordinates until Musketeer was actually mounted. The Dulles brothers [illegible] "in place" [illegible] on the [illegible] intelligence acquired by the [illegible] in Cairo, he was thought in no way [illegible] threaten [illegible] one overriding US interest in the Middle East – access [illegible] cheap crude from Iran and Saudi Arabia. US Middle [illegible] oil policy from [illegible] least the 1930s had been to offer concessions to nationalist demands; Britain's to withhold or deny them. In effect, US policy [illegible]uraged nationalism in the area, Britain's opposed it. [illegible] was [illegible] rock [illegible] which [illegible] purely notional Anglo-American [illegible] was [illegible] and was only nominally [illegible] thereafter by allowing [illegible] party [illegible] go his [illegible]

Despite liaison [illegible] the SIS and [illegible] – the complexi[illegible] which occasionally elude Mr [illegible] – [illegible] former's [illegible] and [illegible] in Egypt [illegible] only [illegible] in the early [illegible] acquire intelligence [illegible] extent [illegible] support for, rather than opposition to, Nasser but failed to put their mas[illegible] London fully in [illegible] picture once it [illegible] and detailed.

[illegible] a result, some impractica[illegible] for a coup against [illegible] (even his [illegible] 's approval, [illegible] were only thwarted, it must [illegible] said, by [illegible] advent [illegible] new "C" in [illegible] summer [illegible] 1956 who knew, [illegible] words of his Deputy – and on this occa[illegible] antagonist – that "thuggery was [illegible] on the agenda". Eden pressed ahead nonetheless, [illegible] his destruction [illegible] to a fate which, [illegible] later, arouses [illegible] compassion for [illegible] man who became [illegible] victim of both circumstance and temper[illegible]

Anthony Verrier

DIVIDED WE STAND: BRITAIN, THE US AND THE SUEZ CRISIS
by W Scott Lucas
Hodder & Stoughton £25, [illegible]

Fiction

Demons from the past

ALLAN [illegible] had the [illegible] of recep[illegible] for *The [illegible] of [illegible]* [illegible] novelists can only dream about: a controversy at the Booker Prize, a judge storming out, [illegible] of [illegible] in [illegible], even [illegible] solemn [illegible] or two. [illegible] publishers could hardly [illegible] hoped for more.

It is [illegible] storm in a teacup however, because, although [illegible] book [illegible] good, [illegible]ily good enough [illegible] displace any [illegible] the [illegible] on the short list – not incontrovertibly so, at any rate. It is a novel of ideas, and very well [illegible] that. But [illegible] are not in fashion with the Booker judges this year.

The story opens in Argentina in 1964. Two families [illegible] expatriates – [illegible] proudly Aryan, the [illegible] half-Jewish – have come together in the form of handsome young Franz and his girlfriend Becky. They want [illegible] married, which means that their [illegible] will [illegible] meet [illegible] other and [illegible] demons [illegible] the past.

Unknown to him, Franz's father was in the SS, [illegible] right hand man [illegible] Heydrich and Eichmann, although [illegible] pre[illegible] now [illegible] simple engineer. Becky's was a Jewish economist, high up in [illegible] administration – perhaps even [illegible] collaborator – until he was [illegible] Auschwitz. The chances of the two old men getting on together are remote, to say the least.

As it happens, Becky's father is blind now and never sets eyes on Franz's at all. But he recognises the voice at once. Hesitating for only a moment, he reaches for the phone and rings Tel Aviv. The Israelis kidnap Franz's father – just as they did Eichmann, who also was betrayed by his voice – [illegible] put him on trial in [illegible]lem. [illegible] hanged, but [illegible] giving his blessing to the marriage between his son and the daughter [illegible] man who betrayed him.

It [illegible] a powerful story, [illegible] more subtle [illegible] ambiguous than [illegible] brief outline might suggest. There is plenty of good in the Nazi, plenty of bad in the Jew. Neither has [illegible] monopoly of right or wrong. The children [illegible] all mixed up, suffering [illegible] what their parents have [illegible] no moral, but [illegible] his [illegible] make up their own minds, uncomfortable [illegible] the thought that [illegible] but for [illegible] God [illegible] well.

[illegible] War, by Alan Sillitoe, is a relatively slender work by comparison, although [illegible] enough. It tells the story [illegible] middle-aged widower [illegible] Nottingham, veteran [illegible] the First World War, [illegible] on the railways during [illegible] Second, [illegible] spends his [illegible] time pursuing the amorous Sophie.

Sophie is warm and loving, [illegible] very [illegible] with [illegible] charms. [illegible] daughter [illegible] out when she moves in. Undaunted, Sophie brings [illegible] own son [illegible] her, a feckless [illegible] army. Leonard [illegible] helplessly [illegible] the son turns [illegible] crime while Sophie goes [illegible] night [illegible] night, earning a living the only way she knows how. He would love to get rid of them both, but can't [illegible] see Sophie go.

It is a [illegible] tale, harking back [illegible] the Nottingham [illegible] the author's youth. The war [illegible] only [illegible] backdrop [illegible] more serious business [illegible] love and betrayal. Sillitoe writes with great insight, but without the bite, it has to be said, of *Saturday Night and Sunday Morning*, or even *The Loneliness of the Long Distance Runner*.

John Arden's *Cogs Tyannic* seems a little daunting at first [illegible] partly because [illegible] the title (a quotation from Blake), partly because of his introduction, which is more philosophical essay than entertainment. Don't be put off though, because the four stories here are really very imaginative, a highly absorbing read.

Three are set in the past. The first charts the career of a scribe in ancient Egypt, sent to Alexandria to investigate a claim by sailors that they travelled round Africa from the Red Sea, and that for much of their journey the sun shone from the north – heresy to a sun-worshipping people. The sailors are foreign, led by a Greek named Odysseus, and clearly not to be trusted . . .

The second story is set in mediaeval Germany, where the female heir to a printing press struggles to produce a great humanistic work against the [illegible] command [illegible] the Church. The third sees [illegible] Duke of Wellington and Fanny Kemble attempting a clandestine love affair at the opening of the Liverpool to Manchester railway, while the fourth deals with a mysterious poem left behind by a British soldier killed in Northern Ireland. What they all display in common – the first three especially – is the author's remarkable ability to recreate a scene from the past and drop the reader right into it as if it was happening before his eyes. This is a rare talent among modern authors, a skill much to be envied.

Robert McCrum's *Mainland* is set firmly in the present, an enigmatic thriller in which no country is mentioned by name, although the Mainland is obviously Britain, and "the occupation" Northern Ireland. Troubleshooter Stephen Mallory is commissioned by a rock star to assess the chances of making a pop video in the province. He is opposed by a local man, his rival in love, who stirs up [illegible] Paisleyite preacher to denounce the rock [illegible] homosexuality. Violence follows, and sudden death. McCrum unfolds the tale with skill, but his overall approach is too cryptic at times to be entirely convincing.

Nicholas Best

THE SINS OF THE FATHER
by Allan Massie
[illegible] £13.99, [illegible]

LEONARD'S WAR
by Alan Sillitoe
HarperCollins £14.99, 237 pages

COGS TYRANNIC
by John Arden
[illegible] £14.99, 427 [illegible]

MAINLAND
b Robert McCrum
[illegible] Warburg £13.99, [illegible]

The world of Columbus

America is celebrating its discoverer. ***Paula Deitz*** *reports*

THE DATE, October 12 1492, is graven on the minds of American school children. Never mind that Christopher Columbus thought he was in the Far East in his quest for gold or that the Norse had preceded. "Columbus discovered America" is the routine classroom phrase, now up for revision on the eve of the 500th anniversary out of respect for the native population that had resided here for over 12,000 years.

Still, the point is that the world was never the same once trade routes opened across the seas, whether it was Vasco da Gama's 1498 Portuguese expedition to India or Admiral Zheng He's voyages to the Persian Gulf. No less extraordinary is the cultural event planned by the National Gallery in Washington DC to commemorate this point in time. *Circa 1492: Art in the Age of Exploration*, opens today.

The idea was to assemble the most important works of art from cultures all over the world created during the late 15th century and early 16th century. through space rather than vertically The show represents the state of art at the dawn of the modern era before global homogenization took over, a kind of Renaissance World's Fair with the added message that the New World was its own Old World.

There are 600 objects on loan from 33 countries – paintings, sculpture, drawings, decorative objects, maps and scientific instruments – and 50 scholars writing essays and citations. Being touted as the "fax and modem" show, the exhibition might appear ridiculous if it were not that an epoch is being recalled not by revisionist historians but by original objects that speak for themselves. And the settings are so intimate and unencumbered by excessive mountings that the viewer is never distracted by peripheral matter.

Another event in 1492 made Spain's exploration role possible: the victory of King Ferdinand and Queen Isabella over Granada, the last Moorish stronghold. It was not without interest, therefore, to see King Juan Carlos I and Queen Sofia of Spain wandering attentively through the show earlier in the week. In a sense, the exhibition is in three different and distinct installations: "Europe and the Mediterranean World," the focus of the Renaissance; "Toward Cathay," Marco Polo's term for the lands sought by Columbus; and "The Americans," the state of the native cultures at that time.

As one of the earliest exhibits, c. 1450, a silver gilt table ornament from Nuremberg in the shape of a tree with shark's teeth flowers that were used to test for poison (they changed colour) shows the need for exotic luxuries that motivated the taste for exploration, then limited to the African coast and the Islamic country. But the great flowering of the century came about in a merger of the art of cartography that resulted from the voyages of discovery. Brass astrolabes that measured the altitude of the stars demonstrate with their ornate arabesques how much science had been preserved by the Islamic world in the Middle Ages. And curiously, as maps became more accurate, they began to lose the colourful depictions of the myths upon which so called knowledge had been based.

This section leads to the ingenious centre of the show covering Brunelleschi's invention of linear perspective. Two depictions of the ideal city, c.1500 by an Italian artist were typical of what the catalogue calls "mathematically structured renderings", also revealed in Carpaccio's more subdued and detailed scene of Venice in his "Miracle of the Relic of the True Cross". A film, *Masters of Illusion*, commissioned from the Gallery for this occasion, dissects a number of works into their linear components and puts them back together again.

One gallery is devoted entirely to Leonardo da Vinci and Albrecht Dürer, as the artists-sceintists of the age. Many of the Leonardo drawings are from the Royal Library at Windsor Castle, but rarely seen is his c.1490 "Portrait of a Lady with an Ermine (Cecilia Gallerani)" from the Czartoryski Museum in Cracow. This oil portrait one of three by Leonardo, is an intensely moving three-quarter view of the accomplished mistress of Ludovico Sforza. It is balanced by Dürer's "Portrait of a Venetian Lady", equally revolutionary in its thoughtful portrayal.

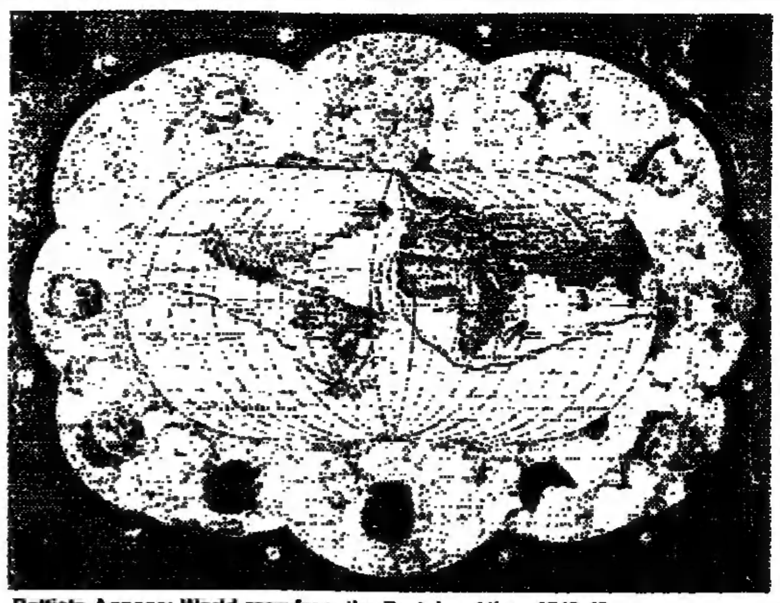
On entering the oriental division one cannot help but observe that, when it comes to perspective, the Japanese and Chinese had it all along. In Sesshu Toyo's hanging scroll "Ama no Hashidate", no less than five villages can be seen along the distant journey to cloud enshrouded mountains. And Shen Zhou's "Lofty Mount Lu" has contours and shadowings only then being discovered in Europe. If only Columbus *had* reached China.

One cannot do justice in a review to the detailed progression of each section, but suffice to say that for the Americas every effort has been made to allow each culture to be revealed by its own documents and art, and not by the European view. Beside the Aztec and Inca empires, there is material on other cultures including the Tainos, the inhabitants of the island where Columbus landed.

The exhibition ends with the gold of Central America that eluded Columbus, though much of it was probably already buried with the chiefs who commissioned it. This *tour du monde* gets a three star *vaut le voyage*, and continues until January 12. (Free entry passes can be ordered in advance.)

Also in Washington, *Seeds of Change* at the National Museum of Natural History (October 23-April 1) will deal with the forces of change that resulted from the cultural collision of exploration. Curator Hermon Viola seeks to explain through 700 objects the resulting cultural and biological developments in both a serious and humorous manner. The entry portal, a Spanish-style Moorish arch made out of 14,000 ears of corn is a witty symbol of the confrontation between the Europeans and the native corn culture. Using realistic dioramas of Indian and plantation culture, accurate to the last detail of costume and physiognomy, the exhibition also conveys the tragedy that faced native culture, including the extinction through disease of almost 90 per cent of the native population.

In New York at the Metropolitan Museum of Art, *Resplendence of the Spanish Monarchy: Renaissance Tapestries and Armour* (until January 5) charts the ascendancy of Spain through the riches of these two arts, including the ceremonial sword of Ferdinand and Isabella. Never have steel and gold been fashioned so individually as in these suits of armour, for man and horse, with etched and embossed designs that seem to offer protection by their very symbols.



Battista Agnese: World map from the Portolan Atlas, 1543-49

Saleroom

More safe than contemporary

Nicholas Powell *writes from Paris*

THERE WERE predictions that this year's 18th annual Fiac (Foire internationale d'Art Contemporain) at the Grand Palais on Paris, one of the world's biggest contemporary art shows, would prove an economic disaster. But with some 140,000 visitors expected and business reported as moderate to good, this year's event has shown the market to be decidedly perkier than it was this time last year when no US client would leave home for fear of getting dangerously close to the Gulf crisis.

One hundred and fifty seven galleries, 85 of them from abroad, are attending the Fiac which opened shortly after the French government's sharp increase in VAT on art sales to 18.6 per cent came in to effect. There was talk of closing down the show by way of protest on the day of culture minister Jack Lang's visit. This was lifted, however, when President Mitterrand decreed that the VAT rate on work by living artists should be only 5.5 per cent.

Even if Marlborough Fine Art of London, which arrived with the most expensive canvasses in the show, Francis Bacon's "Painting" 1990 and "Man at a Wash Basin" 1989-90 at £2.3m, parted with them almost immediately, most dealers brought works at prices which were suited to a difficult market. With dealers taking few risks the choice of works on show this year tended to be very classical with big artistic names to the fore. Frequently by artists who have been dead for some time, the art even begs the description "contemporary".

THere were no new artists to be seen and very few new works. A mere handful of dealers struck out and invested in full scale installations – among them were Louis Carre of Paris who showed a chilling work by Peter Klasen entitled "Shock Corridor" and Galerie Dina Vierny with "Community Kitchen" by the Soviet artist Ilya Kabakov. Anthony D'Offay and Lisson Gallery from London fielded a lively choice of works by contemporary artists such as Georg Baselitz, Tony Cragg and Dan Graham.

The Lisson Gallery said it was excited about the contacts Fiac had enabled it to make with both collectors and curators, which would never have happened in Britain.

Punk and pics recalled

ONE MAN'S disaster can be a nation's gain. Swedish industrialist Hans Thulin enjoyed a gigantic buying spree just before he went bankrupt, paying unbelievable prices for classic cars, contemporary art, and Old Masters. His last splurge was £4.9m at Christie's in the summer of 1990 for a portrait diptych by the 16th century German artist Lucas Cranach of Johann the Steadfast and his son, Johann. Among the under bidders had been the National Gallery.

But the paintings never left Christie's strong room. A few weeks later Thulin's business went belly up and his creditors are now selling off his treasures. Yesterday the National Gallery unveiled the double portrait, which it has acquired for £4.3m. Apart from Thulin everyone is happy.

I lost interest in punk pretty quickly. At an early Clash concert Joe Strummer spat on me. It was nothing personal, just part of the act. I was happy to agree that punk was a necessary reaction against the excess of pomp rock, but it was one pop craze I would sit out.

I was wrong. Punk was important. It was the only time youth re-captured its music from the multinational entertainment corporations: its influence lives on in rap and in artists like Billy Bragg. It was the great confrontation between the generations. Some of today's most successful 30 year olds cherish memories of driving parents spare with punk posturings.

So punk is ripe for recall. Channel 4 is about to launch a punk season and Jon Savage has produced *England's Dreaming: Sex Pistols and Punk Rock* (Faber and Faber £17.50), a definitive look at the band, their manager Malcolm McClaren, and their era. It reads more like a PhD thesis than an evocation of the wildest party in pop history.

Savage takes it very seriously. He cannot quite decide his own attitude towards the Sex Pistols – were they stormtroopers of the Revolution or loutish yobs with fascistic tendencies – but he suggests that their brief strut on the scene marked the death of an old, caring, England. I think it was really just the kids trying to frighten the grown ups.

As for McClaren, after meticulous detailing of his ancestral tree he virtually disappears from the book when the Sex Pistols take to the road. (He started the band, as a publicity vehicle for Sex, the Chelsea shop where he pioneered every fleeting fashion of the period.)

Savage makes clear that in 1975 everyone was well aware that punk was to be the next craze. Entrepreneurs were all attempting to form an acceptably obnoxious band. The Sex Pistols got in before the Clash because at an early gig McClaren's girlfriend, Vivienne Westwood, slapped the face of an innocent bystander. The ensuing riot fastened the media on to McClaren's band.

Equally casual was the arrival of Sid Vicious. He had been a Sex Pistols groupie but replaced the original bassist Glen Matlock because Glen retained vestiges of respectability: McClaren was determined that his band would have no redeeming personal features. There were no doubts about Vicious – his drug abuse was so blatant that everyone just waited for him to self-destruct, which he did, but not before stabbing to death his equally stoned girl friend.

The Sex Pistols were a wonderful joke. They got most fun from the record companies who competed furiously to throw money at them. In turn EMI and A&M gave McClaren a total of £125,000 in advance royalties only to bitterly repent of their generosity. The last laugh was that the Sex Pistols' cursing, thieving, drunken progress should peak in the week of the Queen's Silver Jubilee. Their anarchical version of God Save the Queen was the best selling single.

Savage tries to make a mountain of this molehill. As a passing phenomenon the Sex Pistols really were rather extraordinary, but they represent the traditional English love of bad taste rather than a turning point of history.

Reality was at the Courts of Justice over a decade later when Johnny Rotten extracted hundreds of thousands of pounds from McClaren in one of those legal wrangles over royalties that make entertainment law so lucrative. In the end it was all about money.

Antony Thorncroft

Where a good eye matters

NOT LONG ago there was a vicarious pleasure to be had from watching who was buying art in New York. Auction houses provided a glittering arena and millionaires who had recently discovered "collecting" were regularly to be seen there flashing theircheque-books. But now, with the art market in recession, it is almost as interesting to observe who is selling.

In a forthcoming auction of 19th century European paintings, drawings and sculpture as Sotheby's New York (October 17) certain items are listed in the usual way as "Property of . . ." "The estate of . . ." and the vendors are then named. Other lots are described more coyly as "Property of a West coast Private Collector . . .", etc. Even with such cryptic information it is possible to piece together an impression of the sort of collector who is selling. The "North American Private Collector", for example, who is disposing of six works in Sotheby's sale at a total estimate of $700-£1.1m, bought his two most expensive paintings – by Gerome and Bouguereau (estimates $300,000-500,000 each) – at auctions in New York in 1977 and '79. He paid $13,000 and $57,500 for them respectively which means that he is expecting a 25-30 per cent annual return on the Gerome and 15-20 on the the Bouguereau. But it is a foolish virgin indeed who believes that it is the norm rather than the exception it is.

These sentiments would be echoed by the "West Coast Private Collector" who is selling two soppy German paintings by Johann Georg Meyer von Bermen at estimates of about $30,000 each. The same vendor is also off-loading a Turner watercolour as well as oils by Corot and Bouguereau. The five pictures have nothing in common. They seem all to have been bought about 1980 and together they suggest a collector with cash in hand who set out to buy the best. Sadly, he lacked aesthetic focus and that indefinable attribute of the astute collector – a "good eye".

Art which is remembered from the last time it was on the open market is never as prized as works which are fresh on the scene. For that reason several of the pictures in Christie's sale of 19th century paintings next (October 16) will probably do well. Two tiny panels by one of the dullest of Barbizon painters, Theodore Rousseau, have estimates of $15,000-$20,000 and $25,000-35,000 and an attractive realist canvas by Jules Breton is expected to fetch $100,000-$150,000. The provenances of all three pictures include the magic words "Thence by descent". This gives real status to a picture as it means they have been in a family collection for at least two generations.

The top lot at Christie's is a $2-$3m Jean François Millet, "Return from the Fields". It comes with a "Thence by descent" tag having been in the US since 1912. It is an important late picture, painted about two years before the artist's death in 1875, of peasants returning from their daily toil at eventide.

Christie's has also estimated a top price ($1m-$1.5m) for a typically garish large picture of two gipsies (1913) by a Spanish artist who has been popular in America since a huge exhibition of his work in New York in 1906, Joaquin Sorolla. Other highlight are an Anders Zorn genre study of a nude woman (estimate $200,000-$300,000) and a view of the Place des Pyriamides in Paris by the Italian painter Guiseppe de Nittis (estimate $180,000-$220,000).

With almost 400 lots, Sotheby's has the more extensive sale (Christie's has 264). Apart from the paintings by Bouguereau and Gerome which should sell well, a huge Leon L'Hermitte of 188, "The Haymakers" is expected to fetch $500,000-$700,000. L'Hermitte could hardly be regarded as first rank but "The Haymakers" is an important picture with an interesting American provenance. Exhibited at the Salon of 1887, it was then in the Paris Exposition of 1889 where the artist won the Grand Prix. It was sent to the St Louis Exposition in 1891 and two years laterto the Chicago World's fair: in the meantime it was acquired by the Albright-Knox Art Gallery in Buffalo and remained in its collection until it was deaccessioned in 1943. That was a foolish decision; but it proves that it is not just in the recession-ridden 1990s that art vendors make an interesting study.

Homan Potterton

ARTS

Image of fin de siècle Paris

***William Packer** admires the work of Toulouse-Lautrec*

HENRI de Toulouse-Lautrec was an artist of singular gifts in a Paris full of the most remarkable talent. Yet though his reputation is secure, it is not altogether unclouded. To be born to privilege and yet have such privilege qualified by grotesque debility is a hard fate. To be blessed then with the means to transcend that fate, only to have the full opportunity witheld by illness and early death, is harder still.

Thus to go round the exhibition of his work that has just opened at the Hayward Gallery in London (until January 19, then to the Grand Palais in Paris: sponsored by Pearson) is to be at once exhilarated, inspired and deeply saddened. One can die before one's time, with all that promise unfulfilled, the great work unaccomplished; with Lautrec, as with Van Gogh, the miracle is only that so much was done.

And as with Van Gogh, the circumstances of the life are so remarkable that the biography almost takes over from the work. But it is the work that counts, and work not as document or record, but as art: physical marks laid as may be on paper and canvas.

Lautrec, more perhaps than any of his contemporaries, epitomises in his work the very image of *fin de siècle* Paris, the clubs, cafes, cabarets and *maisons closes* of bohemian Montmartre. His story as habitue of brothels and sympathetic intimate of whores and bawds is known well enough, but he was never a sociologist. Fascinating though his work may be as evidence, he was making no political or social comment, but only registering a world he knew and accepted for what it was.

It is this quality of acceptance that is remarkable – a common, decent humanity and fellow-feeling that inform his every image of women, whether of prostitutes relaxing together, milliner engrossed in her work, friend with her box of face powder, or model sitting akimbo on the studio floor. Even the openly exaggerated images – the whore in her finery at the *Rat Mort* or poor, skinny la Goulue, which may be taken as open satire or caricature – return us immediately to a recognition of particular humanity. The many drawings and studies for posters and portfolios of prints are especially direct and poignant in such immediate sympathy.

This exhibition is not especially large, but then the painting oeuvre itself is not especially large. Lautrec died in 1901 at the age of 36 and his mature career had extended over barely 15 years. Much of his time had been taken up with graphic work, print-making, poster design and illustration and was in any case much interrupted by illness. A great number of the prints and posters, along with their studies and working drawings, are included, giving the show a proper emphasis and balance.

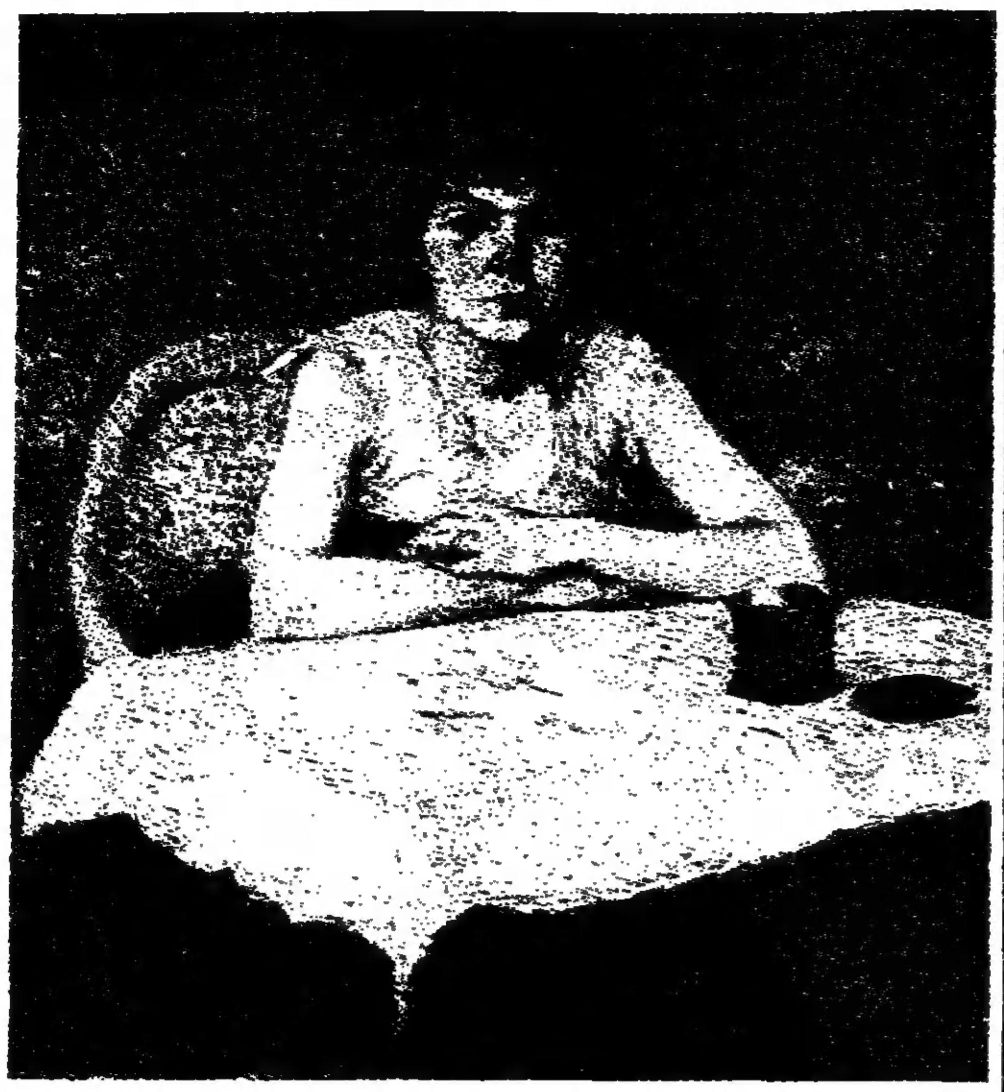
Indeed it is fair to say that Lautrec was in essence a graphic artist. His sense of design is unfailingly strong, the composition simple and with a natural emphasis on the silhouette of figure, furniture or whatever the formal device might be. The painting too, however subtle in modelling and delicate in colour and tone, is inescapeably linear in its method. The drawing is in the paint, line added to line rather than handled in the broader mass. The assurance, speed and energy of that drawing are always evident, sometimes astonishing.

Such pyrotechnical ability declared itself early, and it is salutary to remember that it was founded in the old academic Beaux Arts tradition. Was Lautrec, then, ever truly of the avant-garde? We accept him as modern enough in his time, clearly aware of the work of peers such as Seurat, Van Gogh or Bonnard, or responding to such current influences as the Japanese print, for example. Late works such as the "Messalina" paintings may be unresolved and oddly clumsy, yet they clearly prefigure the bold simplicities of expressionism so soon to come.

To take Lautrec as radical print-maker or proto-expressionist may establish him in his art-historical slot, but has little in fact to do with whether or not he was any good. As an artist he was the creature of an academic training and tradition to which he remained entirely faithful in his own way. He ended as he began, looking at the model before him and projecting his more contrived compositions upon the knowledge and technique he had thereby acquired. His quality rests on his work as it is, so beautifully made for whatever his reasons were at the time, rather than for any putative advance or innovation it might represent.

We must ever question the conventional assumptions of what makes an artist important and his work significant. One of the earliest paintings is a nude study he made in 1883 when all of 19, a delicate image of unaffected realism, open in acknowledgement of its debt to Degas and Manet, and as beautiful as anything in the show. And there is the milliner of 1900, as touchingly direct a study of another young woman, another model. What a relief it is, without any need for special pleas of modernist importance or avant-garde respectability, to take them simply for the beautiful things they are.

■ *To avoid the queue, tickets may be reserved for any of the hourly admission bookings through the day, though there is no limit to the time spent in the exhibition. Apply to the Royal Festival Box Office, SE1 8XX, or phone 071 928 8800.*



'Poudrez de Riz', 1889, by Henri Toulouse-Lautrec, currently at the Hayward Gallery

Poetry in performance

More Glitter than Rilke

IN SPITE of the fact that the busts of Tennyson and Milton still stand, weighty as tradition, in the Poetry Society reading room, there is something unusual, some indefinable sense of anticipation, in the air. The poet is late – 30 minutes already – and that is almost unprecedented. At rock concerts, yes, but at *poetry* readings . . .

Now something is beginning to happen. A chair is carried onto the dais with half a dinner-suit – the jacket half – hung across its back, and lolling from its top pocket – a purple silk handkerchief. Jeremy Reed is amongst us.

The appearance, when it comes, is arrestingly odd, too – a sort of sideways shuffle in green-stockinged feet, face averted, as if we were a light that the poet might be blinded by. As a woman introduces him in quasi-revivalist fashion – "... glorious sense of wonder that pours out in his corruscating words. I really believe that poetry is going to save us" – Jeremy leans on the mantelpiece, sipping at his drink.

The reading comes fast and furious – 26 fairly long poems in the space of an hour. Unfortunately, the poetry of the person distracts one's attention from the poetry itself. He stands sideways on to the audience, face thrown so far back that it might have been slapped. His leg slithers forward as he reads in a cautious, catlike movement, toes curled under. The trousers of the dinner-suit are far too long. From time to time, he seizes hold of a fistful of material at his hip and yanks at it savagely.

The voice itself is disappointingly characterless, toneless, monotonous – some strange medley of London and New York, perhaps; of Bowie, Warhol and other assorted anti-heroes. He comes down heavily, vehemently, on certain words – but the fierce stress always seems to fall in the same place, making one poem sound much like another. Dream landscape follows dream landscape; apocalyptic images, ablaze with colour, abound. "All these poems are about the exploration of a marvellous inner space," he snaps at us. He keeps his mouth very close to the microphone, pouting at it as he reads; his lips hang open at the end of each line – some unfulfilled erotic promise, perhaps. At moments of high poetic tension, his right hand grasps hold of the back of his neck.

We come away with at least one useful item of information: the next collection will be entitled *Redhead Android*.

Adrian Mitchell shuffled onto the stage of the Cottesloe Theatre in jazzy kipper tie, black brothel creepers and crumpled suit, to the accompaniment of a few snatched chords from "Ain't Misbehavin'," played by his young friend and accompanist, Pete Moser. The people's poet with the serious message – or the man Ken Tynan once described as "the British Mayakovsky" in those long-gone ban-the-bomb days, when dirty words still ended in asterisks – was back. Mitchell has no time for high seriousness, the cult of Eng. Lit. (it was just an aberration that he went to Oxford). He slams home the serious messages, in poems as artless and memorable as any child's. And this reading from his *Greatest Hits*, spanning more than three decades, proved that they – and he – had worn well.

It was not so much a poetry reading as an adjunct to street theatre. Mitchell jumps and jives about the stage, shuffles, skids and throws himself about. He can fire a blank at the ground with his big, stubby index-finger, and turn in his toes like Elvis. He can swing his leg right out and even throw a funny fascist salute with the best of the music hall's old-timers. And when he dances in memory of his old mate, Chubby Checker, his head of grey hair – a lock of which falls cutely over one eyebrow even when he's not dancing – looks like a mop about to fly off the handle.

The voice is warm, matter-of-fact, even a touch sentimental, and the flat slap of his vowels sounds almost Liverpuddlian – a curiosity, given that he was born in London. The words come out stubby, wholesome as home-baked bread. The smile is broad and generous. His funny voices – Anglican clergyman, regimental sergeant-major, the man from the Pru – are spot on. Almost every poem ends with a "Yeah!"

He sits, head bowed, stiff-backed, hands tucked prayerfully between his knees, when Pete is doing one of his long, earnest, pointedly political solo spots.

The messages: if Rilke's unobtainable, try Gary Glitter.

Michael Glover

Theatre

Hare chases the law

DAVID HARE'S new play at the National Theatre is so thoroughly English that it reminds one of those old Ealing comedies like *The Lavender Hill Mob*. The jokes have become thinner, the whinge has become stronger, but the Englishness is unmistakable. Hare himself almost invites the comparison. Here on the background of the stage are black and white images of the Old Bailey, London buses, and the pedestrians walking by. There are also the bobbies on the beat, and an old London taxi is driven onto the stage.

If one did not know to the contrary from his own proclamations, one would assume from the text that Hare is one of nature's conservatives, even with a large "C". *Murmuring Judges* takes its name from an 18th century Scottish offence of scandalising the court by criticising the judiciary. Nothing in the play, however, contains even a hint of sedition. What we have is a rather establishment piece that manages to treat a supposedly controversial subject without upsetting anyone. The subject is criminal justice.

But you should see this production. Especially if you are a barrister, or have anything to do with the courts, you will enjoy debating how accurate is the portrait of the English bar. Hare employed research assistants to help him, and my own impression is that he has caught the lawyers pretty well, though a young barrister told me that he is altogether too complacent and not up with current trends.

The play also contains a remarkably sympathetic portrayal of the police. The essential message is that the police, like the lawyers, are only doing their duty: they are people like everyone else. "When I hear that whinge about how the public dislikes the police," one officer says, "I think 'fair enough', I'm not sure I like the public all that much either." Where police and the legal profession differ, the play suggests, is that there is an alternative bar: there is no alternative police force.

The other message, coming from the police, is that there is little point in sending people to prison because not only are the prisons overcrowded: they do not deter. If much more than the present three per cent of recorded crime led to convictions, conditions would become impossible.

One would be more enthusiastic in recommending *Murmuring Judges* if there were not such a liberal sprinkling of clichés and longueurs. Not the only scene to come to mind in that respect is the apparently crucial encounter between the innocent-ish Northern Irish prisoner and the lady counsel from Antigua. Apart from the deficiencies of the writing, Robert Patterson and Alphonsia Emmanuel respectively rise to the occasion.

The Englishness keeps coming back in repeated references to "Desert Island Discs". A leading silk played by Richard Pasco has appeared on it and intrigued everyone by choosing "Je Ne Regrette Rien". But at least the silk is congratulating for avoiding "I Did It My Way". The Home Secretary, incidentally, who is presumably a Tory, is a reformist.

At the end of the first act, there is one stunning scene. The Royal Opera House is brilliantly replicated for about two minutes on the Olivier Stage. Yet that raises the thought: if you are writing a play about England, how can you ignore the paradox that so often the staging may be dazzling, the acting and direction close to perfection, and the text so platitudinously thin? The direction is by Richard Eyre and the design by Bob Crowley and the production is sponsored by Hess Amerada Hess Limited.

Malcolm Rutherford

Radio

A look behind kabuki

THE JAPAN Festival is celebrated by the BBC only on Radio 3. (Some interesting Rugby on ITV, though. Sumo, too.) We heard in this first week Japanese music, Western music played by Japanese musicians, modern Japanese plays, some "snapshots" of contemporary and older Japanese life, talk of film and jazz and, hardest of all, an approach to Japanese classical theatre.

Noh, *Bunraku* and *Kabuki* are too basically visual to broadcast to radio listeners with no Japanese. Saturday's *Kabuki*, an earnest effort, certainly displayed both the technique and a performance of *Kabuki* scenes – *Kabuki-za*, selected scenes from favourite plays. Besides these, translated (and directed) by Ian Burton, we visited the actors' dressing-room, where we learned something of what *Kabuki* is and how it is done. One player was an *onnagata*, a normal male actor who plays women's parts on stage and may be so expert in female manners offstage that women come to him for advice. Dan Macaleer and Geoffrey Whitead represented the two 17th-century stars Sakata Tojuro and Ayame, and we had authentic music composed by Yoshikazu Iwamtot for koto and samisen; but I reckon one learnt more about *Kabuki* from Alastair Macaulay's review of the real thing in these pages earlier this week.

Five programmes on *Noh* begin next week; I see nothing yet about *Bunraku*, where the actors are puppets; we had *Gagaku* on Sunday, but this is purely musical (it is *Bugaku* if there is dancing). However, on Monday we had an example of *Kyogen*, the short comic pieces often played between serious scenes. *The Tall Tale Seed*, translated by Don Kenny, was indeed both brief and funny.

The two modern plays in Sunday's double-bill were brief too, about half an hour each. *The Cliff of Time* by Kobo Abbe was the interior monologue of a boxer (Clarence Smith), round by round, who knows that he is reaching the end of his career. Marilyn Imrie directed, with background boxing noises. *A Corpse with Feet* by Minoru Betsuyaku has more plot. A woman waiting for level-crossing gates to open carries a sack containing her lover's body, dead after hitting his head on a table (she says). Also at the crossing is a stranger taking a present to a wedding, where he knows the groom has a mistress. Yet the present may never be given, for who was it for but the man in the sack? The approaching train may resolve the business. The feet only add some dialogue – another example on the Japanese theatre's dependance on visual effect. This was done in fluent English by two Japanese players, Nana Takahashi and Eiji Kusuhara, and directed by Alison Hindell.

Dickens is as English as the *shakuhachi* flute is Japanese, and while *David Copperfield* continues on Radio 4, we now have *Great Expectations* in 12 half-hour episodes, dramatised by Ray Jenkins, on Radio 5 (Sunday, repeated Monday). We have so far reached the encounter of young Pip (Gary King) with Magwitch (Robert Lang), all truly Dickensian.

Trevor Hoyle's *Gigo* (Radio 4, Thursday) won a 1990 *Radio Times* play award. The title means "garbage in, garbage out", a computer proverb. Graham (Alun Armstrong), whom we first meet in hospital visiting his sick mother, believes that with his computer he can find connections between disconnected events, like swine-fever outbreaks and lunar eclipses. He goes further; past and future are the same thing, and he thinks he is having an affair with Maggie, his friend Jack's wife, because Jack has hinted at it. Worst of all, if the coffee-mug marks on his desk are ever exactly duplicated, it will mean disaster. And then they are; and so it does; and we end with Graham in hospital, repeating his mother's opening dialogue.

Well, anyone who believes in acausal connections and tries to work them out on his computer should not be surprised at anything like that. It is an amusing tale, but the characters are all so ordinary, barely susceptible to acting at all, despite Philip Martin's direction.

B.A. Young

Chess No 892:
1 Ne4 Kxe4 2 Qf3, or Kc4/e6 2 Qf7, or Kc6 2 Qd6. White's pawn is a decoy. 1 c8Q? stalemate or 1 c8R? Ke6 or 1 b8B? Kc6 or 1 c8N? Kc4.

TELEVISION

SATURDAY

BBC1

7.25 News. 7.30 Ovide. 7.40 Opposites Attract. 7.50 The Jetsons. 8.15 Chuckievision. 8.35 Dungeons and Dragons. 9.00 Going Live!

12.12 Weather.
12.15 **Grandstand.** 12.20 Football: Previewing the week's action: Wales v Germany, Scotland v Romania and England v Turkey. 12.45 Golf: The Dunhill Cup semi-finals from St Andrews. 1.00 News. 1.05 Golf: Continued coverage from St Andrews. 1.45 Show Jumping. The Horse of the Year Show from Wembley. 1.55 Racing from Ascot: The Bovis Autumn Stakes. 2.05 Show Jumping. 2.25 Racing: The Princess Royal Stakes. 2.35 Motor Sport: Last round of the British Touring Car Championship from Silverstone. 2.55 Racing: The Bovis Stakes. With commentary by Peter O'Sullevan. 3.05 Golf: Continued coverage from St Andrews. 3.50 Football Half-Time Scores. 4.00 Golf from St Andrews. 4.35 Final Scores. Times may vary.
5.00 **News.**
5.10 **Regional News and Sport.**
5.15 **One to Win.**
5.45 **Only Fools and Horses.** Del, Rodney and Grandad embark on a decorating venture.
6.15 **Bruce Forsyth's Generation Game.**
7.15 **Challenge Anneka.** Energetic Anneka rises to another challenge organising an eleventh hour wedding with one major drawback, the church needs restoring first.
8.05 **Birds of a Feather.**
8.35 **The House of Eliott.** The sisters, finally in possession of their rightful inheritance, invest part of it in founding their own fashion house, 'The House of Elliott'.
9.30 **News and Sport; Weather.**
9.50 **Saturday Night Clive.** With Stephen Fry.
10.35 **Horse of the Year Show.** The climax to the week as the top horses and riders compete in the Grand Prix.
11.25 **Film: Operation Undercover.** An attractive girl is found dead in the flat of a drugs dealer and a policeman is held for her murder. Both were undercover cops, and New York's Commissioner of Police demands to know what went wrong. Starring Michael Moriarty, Yaphet Kotto, Susan Blakely and Richard Gere (1975).
1.15 **Weather.**
1.20 **Close.**

BBC2

9.00 Film: Caravan starting Stewart Granger, Anne Crawford, Jean Kent and Dennis Price. 10.55 Look, Stranger. 11.15 Spirit of Asia. 12.15 pm Film. Storm Boy.

1.45 **Heirs and Graces.** Lady Victoria Leatham visits Woburn Abbey, home of the Marquess and Marchioness of Tavistock.
2.15 **Network East.** A look at India's most successful commercial film director, Subash Ghai. Plus a preview of the latest fashion collection from Waseem, Pakistan's designer for the rich and famous.
2.45 **Mahabharat.** (English subtitles).
3.25 **Film: Lady from Shanghai.** Orson Welles stars as an adventurer who, having rescued a beautiful girl from attackers in Central Park, finds himself acting as a sailor on her husband's yacht. Thriller also starring Rita Hayworth and Everett Sloane (1948).
4.50 **Cartoon.**
5.00 **Film: Colt 45.** A Colt gun salesman tries to put an end to a rampage of robbery and murder after his new rapid fire 45s are stolen. Randolph Scott and Ruth Roman star in this western adventure (1950).
6.10 **Japanese Language and People.** A look at the Japanese education system, widely regarded as the key to Japan's economic success.
6.40 **Late Again.**
7.25 **Have I Got News For You?** Current affairs through the witty eyes of Ian Hislop and Paul Merton.
7.55 **News and Sport; Weather.**
8.10 **Sounds of the Sixties.** Featuring some of the biggest names in music from both sides of the Atlantic including The Rolling Stones, The Byrds, Sonny and Cher, and Roy Orbison.
8.40 **The Second Russian Revolution.** Re-run of the six-part documentary analysing Russia's recent political history as well as glasnost and perestroika and the impact of Gorbachev on the nation.
9.30 **Performance.** Uncle Vanya by Anton Chekhov. A retired professor and his beautiful young bride return to the country estate left by his first wife. Starring David Warner, Mary Elizabeth Mastrantonio, Rachel Kempson and Ian Holm.
11.40 **Golf: The Dunhill Cup.** Steve Rider introduces the four teams in the semi-finals.
12.25 **Close.**

LWT

5.00 TV Am. 9.25 Motormouth. 11.30 The ITV Chart Show. 12.30 pm Saint and Greavsie.

1.00 ITN News; Weather.
1.05 LWT News; Weather.
1.10 **Rugby World Cup 91.** Live coverage of the match between Wales and Australia at Cardiff Arms Park. And Frank Bough introduces Scotland v Ireland at Murrayfield.
4.45 **Results Service.**
5.00 **ITN News; Weather.**
5.05 **LWT News; Weather.**
5.10 **10 Sharp!** Pat Sharp is joined by Dannii Minogue, Gary Glitter and England rugby captain Will Carling. Plus looks at Motorfair '91 and Michael J Fox's new film, Doc Hollywood.
5.20 **Film: Baywatch – The Movie: Nightmare Bay.** Mitch and the other lifeguards investigate the mystery of something curious and deadly in the bay. Beach-based adventures introducing a new series. Starring David Hasselhoff and Billy Warlock.
6.55 **Blind Date.**
7.55 **Stay Lucky.** New series. Dennis Waterman and Jan Francis return as temperamental partners Thomas Gynn and Sally Hardcastle. Back together after almost a year apart, the couple find themselves in trouble after Thomas' new business lands them on the wrong side of the law. With special guest Julie T Wallace.
8.55 **ITN News; Weather.**
9.10 **LWT Weather.**
9.15 **Film: Wilt.** Comic drama based on Tom Sharpe's novel about a sexually repressed lecturer accused of his wife's apparent murder by an obsessed policeman. Starring Mel Smith, Griff Rhys Jones, Alison Steadman and Diana Quick (1989).
11.05 **Rugby World Cup 91 Highlights.** This evening's match between Fiji and Romania, plus the best action from this afternoon's matches between Scotland v Ireland and Wales v Australia.
12.05 **Tour of Duty.**
1.00 **Get Stuffed; ITN News.**
1.05 **Wrestling.**
2.00 **Get Stuffed.**
2.05 **New Music; ITN News.**
3.05 **Coach.**
3.35 **Baseball.**
4.30 **The Hit Man and Her**

CHANNEL4

6.00 Early Morning. 9.30 A Cornish Inheritance. 10.00 Noah's Ark. 10.30 Wagon Train. 11.30 Tony Jacklin's Pro-Celebrity Golf Challenge. 12.30 pm American Football - Red 42.

1.00 **Film: The Great Sinner.** A young writer becomes an addicted gambler to win the girl of his dreams. Starring Gregory Peck and Ava Gardner (1949).
3.00 **Channel 4 Racing** from York including the 3.15 Tattersalls Maiden Auction Series Nursery Handicap Final, 3.45 Rockingham Stakes, 4.15 Coral Sprint Trophy Handicap and the 4.45 Carling Black Label Lager Stakes Handicap.
5.05 **Brookside.**
6.30 **News Summary and Weather; Right to Reply.**
7.00 **South.** The environmental and social impact of destructive Japanese investment in exploiting Chile's forests. The decline of creative imagination in the city of Havan is illustrated in a mixture of animation and live footage.
8.00 **Film: Tunes of Glory.** The new CO of a Highland regiment crosses swords with his predecessor. Starring Alec Guinness and John Mills (1960).
10.00 **Next Stop Hollywood: The Jogger.** Every day Jerry jogs to keep fit. One morning he is joined by a mysterious stranger who shadows his every step. Jerry enters a nightmare scenario when the stranger suddenly attacks him.
10.30 **Hysteria III.** Recorded live at the London Palladium in June this year and hosted by Stephen Fry. Featuring Rowan Atkinson, Ben Elton, Elton John, Beverley Craven, Josie Lawrence, Hugh Laurie and French and Saunders. Viewers have a chance to help UK Aids charities by making donations. Credit card hotline numbers will appear throughout the show, together with Aids and HIV advice line numbers.
12.40 **Sumo: The London Basho.**
1.10 **The Oprah Winfrey Show.**
2.00 **American Football - Red 42.**
2.25 **Close.**

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
1.05 Anglia News. 5.05 Anglia News and Sport 9.10 Regional Weather.

BORDER:
1.05 Border News. 5.05 Border News and Weather

CENTRAL:
1.05 Central News 5.05 Central News 5.15 Central Sports Special – Goals Extra. 5.30 Baywatch – The Movie: Nightmare Bay.

CHANNEL:
1.05 Diary Dates. 5.05 Channel News. 5.10 Bertie the Bat. 5.15 Cartoon.

GRAMPIAN:
1.05 Grampian Headlines 4.45 Scotsport Results. 5.05 Grampian Headlines 5.10 Crinomagan. 5.15 Put It In Writing. 5.30 Baywatch – The Movie: Nightmare Bay.

GRANADA:
1.05 Granada News 5.05 Granada News 5.10 Granada Goals Extra. 5.30 Baywatch – The Movie: Nightmare Bay.

HTV:
1.05 HTV News 5.05 HTV West News and Sport

HTV Wales as HTV except:
5.05 HTV Wales News and Sport

SCOTTISH:
1.05 Scotland Today. 4.45 Scotsport Results. 5.05 Scotland Today 9.10 Scottish Weather.

TSW:
11.30 Superman. 12.00 The South West Week. 1.05 TSW News 5.05 TSW News and Sport 5.15 Gus Honeybun's Cartoon Time. 9.10 TSW Weather.

TVS:
1.05 TVS News. 5.05 TVS News. 5.15 Cartoon.

TYNE TEES:
1.05 Regional News. 5.05 Northern Life Sports Special. 5.15 Cartoon Time.

ULSTER:
1.05 Ulster Newstime 5.05 Ulster Newstime and Sport.

YORKSHIRE:
1.05 Calendar News. 5.05 Calendar News. 5.15 Cartoon Time.

S4C WALES AS CHANNEL 4 EXCEPT:-

9.30 Jelfin. 10.00 Time Tunnel. 11.00 I Love Lucy. 11.30 Short Stories. 12.00 Sixthirtysomething. 6.30 The Wonder Years. 7.00 Newyddion Nos Sadwrn.
7.25 Bacha Hi O Ma. 8.10 TV Teifi. 8.40 A Chairy Tale: Ballet Adagio. 9.00 Super Mouse. 9.30 Rygbi – Cwpan Y Byd.

SUNDAY

BBC1

8.40 The Train Now Departing. 9.10 News. 9.15 In Touch with Healing. 9.30 This is the Day. 10.00 See Hear! 10.30 Deutsch Direkt. 10.55 Fast Feasts. 11.00 No More Nightingales. 11.30 Skillshop.

12.00 **Colour Eye.** Painter Tricia Gilliman believes that colour is the lifeblood of a painting.
12.30 **Country File.** Are financial awards the best way to protect the environment? John Craven investigates the true cost of nature conservation.
12.55 **Weather for Farmers.**
1.00 **News.; On the Record.** Home Office Minister John Patten is interviewed on the debate about the causes of crime.
2.00 **EastEnders.**
3.00 **Dallas: The Early Years.** Prequel to the hugely successful series.
5.15 **Horse of the Year Show.** David Vine introduces the pick of the action.
6.00 **The Clothes Show.**
6.25 **News.**
6.40 **Songs of Praise.** Martin Bashir follows the River Clyde to the village of New Lanark in Scotland.
7.15 **Keeping Up Appearances.** Richard is contemplating early retirement, but is dreading the prospect of spending more time with his wife.
7.45 **Trainer.** When Brant decides to move up a league the pressure is on Mike and Frances to find the right horse.
8.35 **Bread.**
9.05 **News and Weather.**
9.20 **Screen One: Alive and Kicking.** Lenny Henry plays a powerful drug dealer and addict who is convinced he is untouchable until he meets tough Glaswegian, and addict-turned-therapist, Robbie Coltrane.
10.55 **Heart of the Matter.** New series. Heart of the Matter asks why people are prepared to sacrifice their jobs by informing on their employers. Who will protect them when they speak out?
11.30 **Golf: The Dunhill Cup.** Highlights of today's final from St. Andrews.
12.00 **Japanese Language and People.**
12.30 **Mahabharat.** (English subtitles).
1.10 **Weather.**
1.15 **Close.**

BBC2

7.25 But First This on Two; Tales of a Wise King and the Devil. 7.30 Hallo Spencer. 7.55 Playdays. 8.15 Bitsa. 8.30 Babar. 8.55 The Little Green Planet Show. 9.10 Blood and Honey. 9.30 Defenders of the Earth. 9.50 Blue Peter Omnibus. 10.40 The Boy from Andromeda. 11.10 Boxpops. 11.50 The O-Zone. 12.00 Film: Once Upon a Texas Train.

1.30 **Film 91 with Barry Norman.**
2.00 **Golf: The Dunhill Cup.** Steve Rider introduces live coverage of the final from St Andrews, in which each member of the winning team will receive £100,000. With commentary by Peter Alliss, Alex Hay and Mike Hughesdon.
4.25 **The Good Old Days.** A tribute to Barney Colehan who produced the show for 20 years. Featuring Les Dawson, Bernie Clifton and Lorna Dallas.
5.15 **Rough Guide to the World's Journeys.**
6.05 **This is Your Life.** Eamonn Andrews opens his red book on the life of singer and entertainer Max Bygraves.
6.35 **The Money Programme.** The Chancellor of the Exchequer, Norman Lamont, talks to Peter Jay, the BBC's Economics Editor.
7.15 **The Birth of Europe.** Colliding Continents and the Age of Bronze tells how the copper-smiths of the Black Sea coast transformed not only copper ores but the whole of society, from communities of equals to clans ruled by chieftains.
8.10 **Madness.** Those who conceived the idea of the asylum optimistically saw it as a safe haven for the insane. Jonathan Miller contrasts these initial hopes with the depressing realities, as he charts the rise and fall of these institutions.
9.10 **The Complete Citizen Kane.** BBC2 marks the 50th anniversary of the release of Orson Welles' first and most astonishing movie, regarded as a milestone in the history of film making. Welles directed, produced and played the lead – all at the age of 25.
10.40 **Film: Citizen Kane.** Orson Welles' classic, Oscar-winning tale of the rise to power of an ambitious newspaper tycoon which, when first released, was seen as a personal attack on newspaper mogul William Hearst. Orson Welles directs and stars alongside Joseph Cotten, Agnes Moorhead and Everett Sloane.
12.40 **Close.**

LWT

6.00 TV Am. 9.25 Disney Club. 10.15 Link. 10.30 Morning Worship. 11.15 The Human Factor.

11.45 **Walden.** Brian Walden interviews Labour's Health spokesman, Robin Cook. Labour say the Tories will privatise the NHS and they claim that only Labour can run a properly resourced and efficient Health Service. Do their claims stand up?
12.30 **pm ITN News at 12.30; Weather.**
12.35 **LWT News; Weather.**
12.40 **Rugby World Cup 91.** Frank Bough introduces the action from Pontypridd where Argentina take on Western Samoa for the first time in a full international.
2.40 **Film: Tora! Tora! Tora!** Reconstruction of the World War Two attack on Pearl Harbour. Starring Martin Balsam, Soh Yamamura and Jason Robards (1970).
5.20 **Rugby World Cup 91.** Part two of today's coverage takes in highlights of New Zealand v Italy and the live second half of France v Canada.
7.05 **ITN News; Weather.**
7.10 **LWT News; Weather.**
7.15 **Beadle's About.**
7.45 **Ruth Rendell Mysteries: A New Lease of Death.** Part three.
8.45 **London's Burning.**
9.45 **ITN News; Weather.**
10.00 **LWT Weather.**
10.05 **Hale and Pace.**
10.35 **The South Bank Show.** Profiling Neil Simon, the American comedy playwright whose Broadway hits include The Odd Couple and The Goodbye Girl. He takes us on a guided tour of the areas in New York which have played such an important role in his life and work.
11.35 **Rugby World Cup 91 Highlights.** With all but one of the group games now played, almost all the quarter-finals are decided. Frank Bough looks ahead to these ties, after extended highlights of today's three games.
12.20 **Cue the Music; ITN News.**
1.25 **The ITV Chart Show.**
2.25 **Film: Bird with the Crystal Plumage.** A writer becomes involved in the efforts to trap a mystery killer. Continental thriller starring Susy Kendall and Tony Musante (1969); **ITN News.**
4.05 **Hodson Confidential.**
4.35 **Pick of the Week.**
5.05 **Soap.**

CHANNEL4

6.00 Early Morning. 9.25 The Sword of Tipu Sultan.(English subtitles). 10.00 Dangerous Lives: The Silent Sufferers. 10.45 Dennis. 11.00 Owl TV. 11.30 The Lone Ranger. 12.00 Little House on the Prairie.

1.00 **Voyage to the Bottom of the Sea.**
2.00 **Film: Anna Karenina.** The wife of a Russian aristocrat falls for a dashing cavalry officer. Based on Tolstoy's novel. Starring Greta Garbo and Fredric March (1935).
3.40 **Pity the Poor Crocodile.** Crocodiles and alligators have existed for 140 million years but are now in danger of extinction.
4.10 **Belgica Magica.** Exploring the wealth of mysterious landscapes that can be found in Belgium.
4.25 **Family Pride.**
4.55 **News Summary; Weather.**
5.00 **Sumo: The London Basho.** All of the top division of Japan's ancient national sport will be at the Royal Albert Hall on the last day of the prestigious London Basho.
6.00 **Press Gang.**
6.30 **The Cosby Show.**
7.00 **Equinox: The Lean Burn Engine.** The plight of a British engineer who has developed an alternative to the catalytic converter, but who finds his path blocked by EEC legislation.
8.00 **Last Train to Medicine Hat.** In the first of four programmes, Australian foreign correspondent Murray Sayle rides The Canadian from the quiet shores of Sydney, Nova Scotia, to bustling Montreal.
8.30 **American Football.** Mick Luckhurst offers the very best action from around the league.
10.00 **Film: The Blackboard Jungle.** In a school in a slum, a teacher finally gains the respect of his class of young hooligans. Starring Glenn Ford and Anne Francis (1955).
11.55 **Film: Brothers and Relations.** Continuing the Vietnam cinema season. A soldier returns from the war to find that his family, believing him to be dead, have rented his room out to strangers. Unable to find anything but a menial job, he finds it hard to adjust to a society that wants to forget the war and move on towards consumerism (1988).(English subtitles).
1.35 **Close.**

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.35 Anglia News. 7.10 Anglia News.

BORDER:
12.35 Border News. 7.10 Border News. 11.35 Prisoner: Cell Block H.

CENTRAL:
12.35 Central News 7.10 Central News 10.00 Local Weather.

CHANNEL:
12.35 Reflections. 7.10 Channel News.

GRAMPIAN:
12.35 Grampian Headlines. 2.40 Coronation Street. 3.40 Apple Dolls. 4.00 Katts and Dog. 4.30 Bullseye. 5.00 Scotsport. 7.10 Grampian Headlines 10.00 Grampian Weather. 11.35 Prisoner: Cell Block H.

GRANADA:
12.35 Granada News Headlines 2.40 Sands of the Desert. (1960) 4.20 Coronation Street. 7.10 Granada News 11.35 Prisoner: Cell Block H.

HTV:
12.35 HTV News 7.10 HTV News

SCOTTISH:
12.35 Scotland Today. 2.40 Glen Michael's Cartoon Cavalcade. 3.10 Caprice starring Doris Day and Richard Harris (1967). 5.00 Scotsport. 7.10 Scotland Today.

TSW:
12.35 TSW News 2.40 TSW Farming Week. 3.05 Fisheries News. 3.20 The Allied Leisure Cowes Classic. 3.50 Escape Route starring George Raft and Sally Gray (1952). 7.10 TSW News 10.00 TSW Weather. 11.35 Prisoner: Cell Block H.

TVS:
12.35 TVS News. 7.10 TVS News.

TYNE TEES:
12.35 Regional News. 2.40 The Back Page. 3.10 The War Lover starring Steve McQueen (1962). 7.10 Regional News. 11.35 Prisoner: Cell Block H.

ULSTER:
12.35 Ulster Newstime 2.40 Pop Profile. 2.50 Matlock. 3.50 Bullseye. 4.20 Coronation Street. 7.10 Ulster Newstime 10.00 Ulster Newstime 11.35 Prisoner: Cell Block H.

YORKSHIRE:
12.35 Calendar News. 7.10 Calendar News. 10.00 Local Weather.

S4C WALES AS CHANNEL 4 EXCEPT:-

9.25 Willo the Wisp. 9.30 Owl TV. 10.00 Now You're Talking. 10.25 Now You're Talking. 10.50 Bwrw 'Mlaen. 11.20 Synchromy. 11.30 Little House on the Prairie. 12.30 Rygbi – Cwpan Y Byd. 5.00 The Golden Girls. 6.30 Pobol Y Cwm. 7.00 Newyddion. 7.05 Saith Ar Y Sul. 7.20 Bwrw'r Sul. 8.05 Hel Straeon. 8.35 Dechrau Canu, Dechrau Canmol. 9.05 Heb Ei Fai. 10.20 Ffiniau. 10.40 American Football 91-92.

RADIO

SATURDAY

BBC RADIO 2
6.00 Graham Knight. 8.05 Saturday Club. 10.00 Anne Robinson. 12.00 Gerald Harper. 1.30 The News Huddlines. 2.00 Ed Stewart. 4.00 Teenagers in Love. 4.30 Katie and Friends. 6.00 Cinema 2. 5.30 Music By. 6.00 Brooks Aehron's Serenade. 7.00 Beat the Record. 7.30 Folk Season. 9.30 Easy Does It. 10.00 The Arts Programme. 12.05 Stars of the Sixties. 1.00 Night Ride. 3.00 A Little Night Music. 4.00 The Early Show

BBC RADIO 3
6.55 Weather and News Headlines.
7.00 Morning Concert.
8.30 News.
8.35 BBC Concert Orchestra.
9.30 Saturday Review.
12.45 Japan Season: Snapshot.
1.00 News.
1.05 BBC Lunchtime Concert.
2.10 Brahms and Schoenberg.
3.25 American Songs.
3.50 Tuning Up.
5.00 Jazz Record Requests.
5.45 Third Opinion.
6.30 Mozart and Dvorak.
7.30 Japan Season: The Takemitsu Signature.
9.25 Japan Season: Bell.
9.55 Bath Festival 1991.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Farming Week.
6.50 Prayer for the Day.
6.55 Weather.
7.00 Today.
8.58 Weather.
9.00 News.
9.05 Sport on 4.
9.30 Breakaway.
10.00 News; Loose Ends.
11.00 News; Conference Special.
11.30 From Our Own Correspondent.
12.00 Money Box.
12.25 The News Quiz.
12.55 Weather.
1.00 News.
1.10 Any Questions?
1.55 Shipping Forecast.
2.00 News; Any Answers?
2.30 Saturday Playhouse.
3.45 Pedlar for God.
4.00 News; Litmus Test.
4.30 Science Now.
5.00 Metro Mouse.
5.25 Fourth Column.
5.50 Shipping Forecast.
5.55 Weather.
6.00 News; Sports Round-up.
6.25 Week Ending.
6.50 Stop the Week.
7.20 Kaleidoscope.
7.50 Classic Serial.
8.50 Conversations with Historians.
9.20 Music in Mind.
9.50 Ten to Ten.
9.59 Weather.
10.00 News.
10.15 Kissing Frogs.
11.00 Richard Baker Compares Notes.
11.30 Mary Whitehouse's Best Experiences.
12.00 News; Interlude.
12.33 Shipping Forecast.
12.43 (FM) Close.
12.43 (LW) As World Service.

BBC RADIO 5
6.00 News and 24 Hours.
6.30 Morning Edition.
9.00 On Your Marks.
12.00 Sport on 4 Plus 1.
12.30 Sportscall.
1.20 Sport On 5.
6.05 Six-Six.
7.30 Le Top.
9.00 Airopop Worldwide.
10.00 Sport.
10.15 On The Level.
12.00 News and Sport.
12.15 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times BST:-
6.00 German Features. 6.24 News in German. 6.30 Europe Today. 7.00 Newsdesk. 7.30 Londres Matin. 8.00 News; Twenty-four Hours live; News summary. 8.30 From the Weeklies.
8.45 Cole Porter Among Friends. 9.00 News; Words of Faith. 9.15 A Jolly Good Show. 10.00 News; Waveguide; Worldbrief. 10.30 Personal View. 10.45 Sports Roundup. 11.00 News Summary; Jazz Now And Then. 11.15 Letter From America. 11.30 People and Politics. 12.00 Newsdesk. 12.30 Londres Midi.
12.45 Mittagsmagazin. 1.00 News; News About Britain. 1.15 Multitrack 3. 1.45 Sports Roundup. 2.00 Newshour. 3.00 Club 648. 3.15 Sportsworld. 4.00 News. 4.15 Sportsworld continued. 5.00 News; News About Britain. 5.15 BBC English. 5.30 News in German.
5.40 German Features. 6.00 News Summary; Omnibus. 6.30 Londres Soir. 7.14 BBC English. 7.29 News Summary. 7.30 Heute Aktuell. 8.00 German Features. 8.54 News in German. 9.00 News; Book Choice. 9.15 Londres Derniere. 9.30 Europe This Weekend. 10.00 Newshour. 11.00 News. 11.05 Short Story: My Uncle The Bat.
11.20 Meridian. 11.50 Sports Roundup. 12.00 News; Words of Faith; Book Choice. 12.15 A Jolly Good Show. 1.00 Newsdesk. 1.30 The Ken Bruce Show.
2.00 News Summary. 2.01 Play of the Week: The Horses Mouth - Part 1. 3.00 Newsdesk. 3.30 Second Time Around. 4.00 News; News About Britain. 4.15 Sports Round-up. 4.30 From Our Own Correspondent. 4.50 Write on.

SUNDAY

BBC RADIO 2
6.00 Graham Knight. 7.30 Good Morning Sunday. 9.05 Melodies for You. 11.00 All Time Greats. 2.00 Benny Green. 3.00 Sounds Easy. 4.00 They Called Me Al. 4.30 Sing Something Simple. 5.00 Charlie Chester. 7.00 Black Magic. 7.45 A Musical Pot Pourri. 8.30 Sunday Half-Hour. 9.00 Your Hundred Best Tunes. 10.00 The Arts Programme. 12.05 Stars of the Sixties. 1.00 John Terrett with Night Ride. 3.00 A Little Night Music. 4.00 The Early Show

BBC RADIO 3
7.00 Morning Concert.
8.30 News.
8.35 The Compleat Capellmeister.
9.15 Melos Ensemble.
10.15 Music Weekly.
11.00 A Dutch Retrospect.
12.45 Japan Season: Table Talk in Japan.
1.00 News.
1.05 Your Concert Choice.
2.30 York Early Music Festival 1991.
3.40 Poet of the Month.
3.50 BBC Philharmonic.
5.00 Japan Season: The Japanese Ear.
6.00 The Christian Hope.
7.00 Japan Season.
9.00 Japan Season: The Takemitsu Signature.
10.50 JC Bach.
11.15 Japan Season: The Japanese Envoys.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Prelude.
6.30 News; Morning Has Broken.
6.55 Weather.
7.00 News.
7.10 Sunday Papers.
7.15 On Your Farm.
7.40 Sunday.
8.50 The Week's Good Cause.
8.55 Weather.
9.00 News.
9.10 Sunday Papers.
9.15 Letter from America.
9.30 Morning Service.
10.15 The Archers.
11.15 News Stand.
11.30 Pick of the Week.
12.15 Desert Island Discs.
12.55 Weather.
1.00 The World This Weekend.
1.55 Shipping Forecast.
2.00 Gardeners' Question Time.
2.30 Sunday Playhouse: The Wide-Brimmed Hat.
4.00 News; Analysis.
4.47 Time for Verse.
5.00 News; Down Your Way.
5.40 Tales of a Dragon Watcher.
5.50 Shipping Forecast.
5.55 Weather.
6.00 News.
6.15 The Village.
6.30 Up to the Neck in It.
7.00 In Business.
7.30 Bookshelf.
8.00 A Hack in the Borders.
8.30 Enterprise 91.
9.00 The Natural History Programme.
9.30 Special Assignment.
9.59 Weather.
10.00 News.
10.15 The Weaver of Time.
11.00 A Perspective for Living.
11.30 Seeds of Faith.
12.00 News and Weather.
12.33 Shipping Forecast.
12.43 (FM) Close.
12.43 (LW) As World Service.

BBC RADIO 5
6.00 World News and 24 Hours.
6.30 Meridian Reports.
7.00 Newsdesk.
7.30 Sunday Edition.
9.00 Johnnie Walker.
10.30 Education Matters.
11.00 News and Sport; Business on the Move.
11.30 The Day Before Yesterday.
12.00 News and Sport.
12.05 Open University: Open Forum.
12.25 Radio GOSH.
2.00 Sunday Sport Extra.
5.00 Trainers.
5.30 Black Museum.
6.00 Sport; Talking Poetry.
6.30 Great Expectations.
7.00 Sport.
7.15 Euromix.
8.00 When in Spain.
8.30 France Extra!
9.00 Deutsch Direkt!
9.30 Dragnet.
10.00 Sport.
10.10 Across the Line.
12.00 News and Sport.
12.10 Close.

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10.00 News; Business Review. 10.15 Short Story: My Uncle The Bat. 10.30 B-Side Beat. 10.45 Sports Roundup. 11.00 News; Science in Action. 11.30 In Praise of God. 12.00 Newsdesk. 12.30 Londres Midi. 12.45 Mittagsmagazin. 1.00 News.
1.01 Play of the Week: The Horse's Mouth. 2.00 Newshour. 3.00 News. 3.01 Eastern Approaches. 3.30 Anything Goes. 4.00 News. 4.15 Concert Hall. 5.00 News; News About Britain. 5.15 BBC English.
5.30 News in German; German Features. 6.00 News and Business Review. 6.14 Club 648. 6.30 Londres Soir. 7.14 BBC English. 7.29 News; News in German.
7.40 German Features. 8.54 News in German. 9.00 News and Business Review. 9.15 Londres Derniere. 9.30 Europe Tonight. 10.00 Newshour. 11.00 News; Folk in Britain. 11.20 Meridian.

BRIDGE

Today's hand is from rubber bridge. Here is Thinking to the End:

N
♠ J 3
♥ 6 2
♦ K 9 7 4
♣ K Q J 9 6

W
♠ A 8
♥ 10 9 8 5
♦ J 8 6 2
♣ 7 3 2

E
♠ 10 9 7 4
♥ K Q 7 4 3
♦ 3
♣ 8 5 4

S
♠ K Q 6 5 2
♥ A J
♦ A Q 10 5
♣ A 10

With neither side vulnerable South dealt and opened with one spade, North replied two clubs, and South rebid three diamonds, North raised to five diamonds, and South's six diamonds ended the auction.

West led the heart 10, covered by East's queen, and taken by the ace. With an even break in trumps the slam was cold, so declarer cashed the diamond ace. West dropped the eight – a standard false card in such positions to persuade South that East might hold four trumps. But South was a thinker. If East had the four diamonds to the knave, trumps could not be drawn before the spade ace was dislodged, and the losing heart discarded on the third round of clubs – an even break must be assumed. But whoever took the spade knave would lead a heart, which would force South to ruff and so set up East's diamond knave. After this reasoning declarer continued with diamond queen, and East showed out. He then cashed three clubs, throwing his heart loser, and followed with the knave of spades. West won, and led a heart. The declarer ruffed with his diamond 10, and then led the five, finessing dummy's nine and drawing the last trump. Slam made.

Should West withhold his spade ace, the declarer ruffs a heart high in hand, and finesses dummy's nine as before, and concedes the last spade. Logically reasoned, and played without fault.

E.P.C Cotter

CHESS

ANATOLY KARPOV and Vassily Ivanchuk, Nos 2 and 3 in the international rankings, have dominated the Icelandair World Cup event in Reykjavik which finishes this weekend. After 12 of the 15 rounds they shared the lead with 8½ points, 1½ ahead of their closest rivals. Britain's Jon Speelman and Murray Chandler were around the 50 per cent mark.

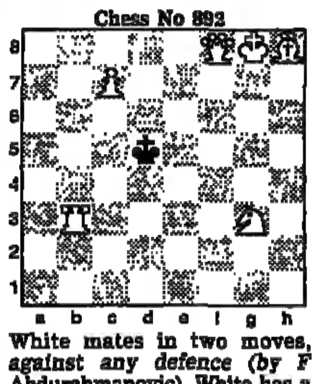
Reykjavik is the first of five tournaments in the new World Cup Grand Prix where 26 leading grandmasters compete for over $1m (£500,000) between now and July 1993. As often in recent years, Bessel Kok, head of the Belgian-based Swift banking transmission group has been a key player in putting together the sponsorship passage.Brussels is hosting two of the contests including the final where both Kasparov and Karpov will play.

Karpov, who meets Nigel Short in next year's world title semi-finals, is most dangerous with a small initiative which he can nurse to decisive proportions. His unpretentious play in this week's game conceals subtle art. Karpovian techniques include provoking his opponent to initiate pawn exchanges,so conceding the white knights good squares (moves 13-15); piece regroups with gain of time harrying the black queen(17-22); and a switch to a seemingly drawn rook ending where 32 e6! is decisive.

(A Karpov, White; A Khalifman, Black; Queen's Indian; Reykjavik 1991).

1 d4 Nf6 2 c4 e6 3 Nf3 b6 4 g3 Ba6 5 b3 Bb4+ 6 Bd2 Be7 7 Bg2 c6 8 Bc3 d5 9 Nbd2 Nbd7 10 0-0 0-0 11 Re1 c5 12 e4 dxc4 13 Nxc4 Bb7 14 Qd3 cxd4 15 Nxd4 Nc5 16 Qc2 a6 17 Rad1 Qc7 18 Bd2 Ncd7 19 Bf4 Qc5 20 Bc1 Qc7 21 e5 Nd5 22 Ne3 Qxc2 23 Ndxc2 Rac8 24 Bxd5 exd5 25 Nxd5 Bxd5 26 Rxd5 Rxc2 27 Rxd7 Bb4 28 Red1 Rxa2 29 Be3 Bc5 30 Bxc5 bxc5 31 Rc7 Ra3 332 e6! fxe6 33 Rdd7 Resigns.

Chess No 892



White mates in two moves, against any defence (by F Abdurahmanovic). White has a huge material lead with a pawn about to promote, but Black's lone king is surprisingly resourceful.

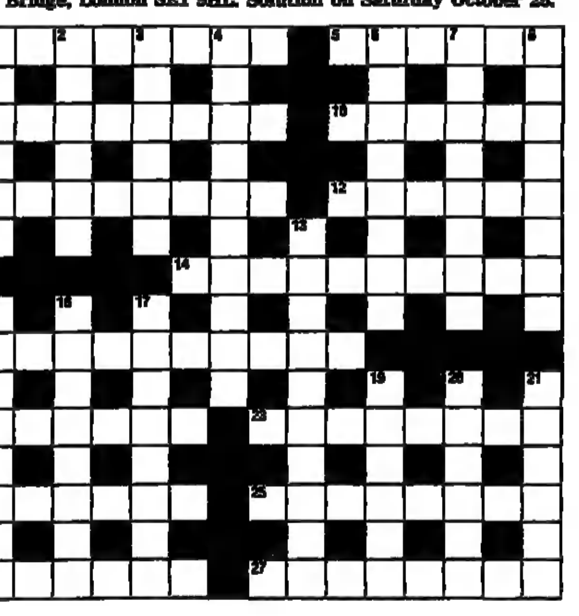
Solution Page XVIII

Leonard Barden

CROSSWORD

No. 7,670 Set by CINEPHILE

Prizes of £15 each for the first five correct solutions opened. Solutions to be received by Wednesday October 23, marked Crossword 7,670 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday October 26.



Name..

Address..

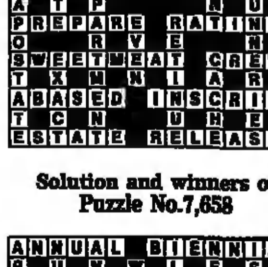
ACROSS

1 International players see if conceit is justifiable? (4,4)
5 A theologian was first to be bad (6)
9 Judas is first of heroes out of ancient vehicle (8)
10 Part of rowing boat with painter or sails? (6)
11 Lamentations about Bevan have double lustre (3,5)
12 More than one sort of pillar, if I were U (6)
14 It's poetical in science: that's one worse than lies (10)
18 Spoil morning and afternoon with baby in New York, being feebly sentimental (5-5)
22 Girl entertains painter with combat (6)
23 It produces reports with some circulation (8)
24 Worthless friend gets shot (6)
25 Enclosures for cattle follow their call for anchorages (8)
26 Roof that's put on church (6)
27 Cunning of spider girl dropping article on ship (8)

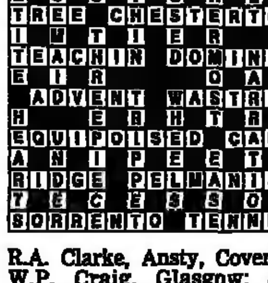
DOWN

1, 2, 3 Half-minute diversion of tester in New York way (6-6,6)
4 Delete translating "Aries" "goat" with acknowledgment to higher authority (3,7)
6 The last sort to make a quick profit? (4,4)
7 Suggestion of hepatitis beside electric train? (4,4)
8 Reveal record to be deprived of (6)
13 It can be half opened or shut after boiling (6,4)
15 Tin peaks, perhaps, for reptile enclosure (5,3)
16 Protection for mare involved with bull (8)
17 Be quiet to hear old Norse navigator with mental illness (8)
19, 20 Fuel shortage circumscribes our model refuge in New York way (6,6)
21 Dangerous time: give credit to goddess (6)

Solution to Puzzle No.7,669



Solution and winners of Puzzle No.7,658



R.A. Clarke, Ansty, Coventry; W.P. Craig, Glasgow; J.A. Jamieson, Thurso, Caithness; P.A. Kemp, Clayton West, Huddersfield; R. Pearson, Dronfield, Woodhouse, Sheffield.

The sleazy side of the Green affair

What the ex-DPP did is not illegal, says Dominic Lawson, but what the tabloids did to him should be

I NEVER thought that I would join the ranks of those who argue that the prominent should be protected by law against the intrusions of the press, but the newspapers' pursuit of Sir Allan and Lady Green almost compels me to support that illiberal position. Having resigned as Director of Public Prosecutions following a caution for kerb-crawling, the public life of Sir Allan was at its end.

Yet when he and his wife flew, to try to recover in their Minorca villa, they were pursued by the tabloid press, whose sole motive, as far as one could tell, was to provoke a split in the marriage which two people wanted to hold together. One paper reported, almost with professional admiration, how another had sliced open the Green's rubbish bag – presumably to discover some private and personal correspondence – and how tears came to Lady Green's eyes as she discovered this latest intrusion.

After about three days of this, the hacks were recalled from Minorca, doubtless having reported to their editors that their provocations had not produced a storming-out of Lady Green and that there was no more fun to be had.

The real story, of course, was forgotten. This was that Sir Allan should never have been picked on by the police in the first place. The three-year-old law against kerb-crawling was brought in to deter men from harassing women who are not themselves prostitutes but who are unfortunate enough to live in residential areas where prostitutes are known to operate.

The law permits the police to caution a man if they have reason to believe that he is harassing a woman not herself touting for business, or if they feel the man is disturbing other people.

In Sir Allan's case, neither condition applied. The police would have known very well that the girl he approached was a prostitute; indeed, they almost certainly knew her name and how long she had been operating in the area. As for disturbing the neighbourhood, the Goods Way, the road in which Sir Allan was jumped on, is no neighbourhood at all; it contains not a single house or resident but is just an area of warehouses hard by Kings Cross station. I don't know if the police still send their better-looking plods down into public lavatories to provoke homosexuals into making illicit propositions but *l'affaire Green* has the same stench.

If one was a believer in conspiracy theories, which I am not, one might wonder if the policemen involved knew that they were about to wreck the career of the man who a week earlier had recommended the prosecution of the police involved in the case of the Birmingham Six.

I know that some feminists, whose normal political instincts would be not to trust policemen out on a foraging expedition, have said that the person to be pitied is not the former Director of Public Prosecutions but Kathleen Beech, aka Nicola Hall, reduced to prostitution and of the most degrading sort.

But unless this country introduces a law banning men from sleeping with prostitutes, Sir Allan was acting quite within his rights and only his wife, and just possibly his children, have the right to censure him. I should also point out, wearily, that no woman in the UK enters prostitution unless she chooses to do so. The vast majority of British women in dire financial circumstances do not engage in it. A woman who wrote to *The Spectator* pointed out: "Other women who have found themselves without money have resorted either to getting a job or, failing that, turning to the DHSS to pay their mortgage (not as hard as you think) and to support them (income support)."

I am pleased to note that Baroness Mallalieu has proposed that Sir Allan Green be reinstated as DPP. Seconded, but I doubt that Sir Allan, after his experiences at the hands of the tabloids, will want to re-enter public life.

■ *Dominic Lawson is Editor of The Spectator.*

Private View

Communist who told the truth

Christian Tyler meets journalist Liu Binyan, who was persecuted for years by the Chinese Communist Party

DISSIDENT is not the right word to describe Liu Binyan, China's best-known journalist. The title he is known by in the West is almost as misleading as the "rightist" label hung round his neck by the Chinese leadership in order to gag and punish him for two long decades.

Liu joined the Communist Party at 19, five years before the revolution in 1949. Although struck off by Deng Xiaoping in 1987 (as Mao had struck him off once before) and in exile since the Tiananmen Square massacre of 1989, he regards himself as a true Communist still – and a left winger to boot.

His dissent was not from Communism but from what he saw as its corruption by power-hungry bureaucrats, at the people's expense. His crime was naiveté. He assumed that his job as a newspaper reporter was to uncover corruption so that the Party leaders could put things right.

In the 14 years or so he was free to write, first on *China Youth News*, later on the *People's Daily*, Liu established himself as the country's foremost investigative journalist. Millions read him and thousands sought him out.

But the writing was interrupted by 22 years in the political wilderness (with a mere five-month respite in 1966) during which he was publicly denounced, made to sign confessions, forced to cart sewage and clean the office lavatories and exiled to the country to grow rice, make bricks and raise pigs.

I met Liu Binyan and his wife Zhu Hong ("my guardian angel", he calls her) in their temporary refuge, a flat on a low-cost housing estate outside Princeton, New Jersey.

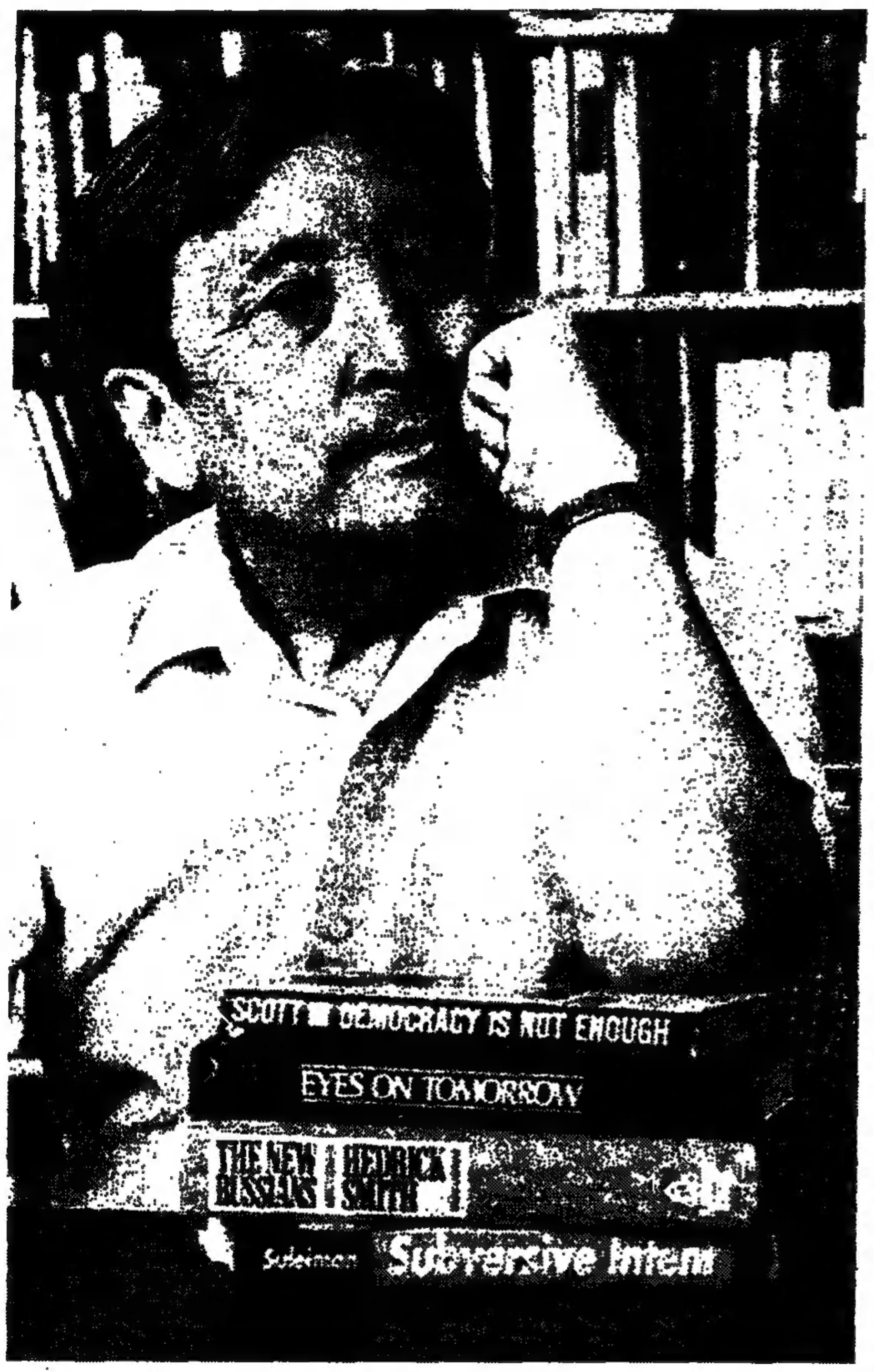
You had the courage to tell the truth when others did not, I said. Yet you say in your autobiography, *A Higher Kind of Loyalty*, that you are not courageous. Is that Chinese modesty?

"No. Very, very many young people had awakened politically earlier than me. They even created underground magazines: but as soon as they did that they were arrested or executed. Even among 'rightists' like me there were people more courageous than me, and died too."

Why did you survive?

"Conditions were more favourable for me. I was working in Beijing and in the capital leading cadres are more aware of policies. They are more moderate, more civilised.

"I'm a mild person in character. I was very conscious of the fate of my wife and my children." (He has a son, Dahong, and a daughter, Xiaoyan, both in Peking). "Because the punishment, the condemnation were so harsh and the pressure from people in the editorial department was very heavy [here he broke into Mandarin, his wife translating] I admitted my so-called mistakes. Quite a few did not and they got harsher punishment."



Given his Party training, I asked Liu whether he was certain of the truth or whether he sometimes doubted himself. He said he had suffered 20 years of mental agony. Brought up with unbounded faith in Mao Tse-tung – a faith that did not fully evaporate until 1971 – Liu realised after seeing for himself how cruelly the peasants were treated that it was Mao, not he, that was wrong.

Liu was pouring tea and puffing on Marlboro Lights. His halting English is adequate but does not do justice to the fluency of his thought or to his facility in his other languages, Russian and Japanese. As a boy in northern China he was nicknamed Big Head – his head is, indeed, unusually large – and Liu admits he is not without vanity. But where he grew up "bighead" means "gullible", and this, too, is in his character. He was shy, dreamy and awkward as a youth, wanted to be an actor in the Peking Opera, or a writer.

He certainly wanted to be famous.

He was spoilt by his parents. Did that give you more confidence than your peers?

"Most Chinese were influenced by Confucianism, to listen to their parents and be obedient to their teachers," he said. "I was different because my father was very liberal and my mother loved me very much among my four brothers and sisters. So I could do everything I wanted. I could read books every day and do nothing else.

"But at ten or 11 I had very strong feelings about pursuing truth and freedom: this was because of the Japanese occupation. All my life I have been more independent than most Chinese."

His upbringing gave Liu a false sense of security. His critical writing soon made him a scapegoat for betrayal by zealous comrades whenever the political wind changed. But he carried on reporting.

One of his pieces concerned two bridge-builders on the Yellow River who were caught unawares by early flooding. One waited for orders from above, and saw his work washed away. The other acted in time and saved the pier. The first man was rewarded with promotion, the second sent to a cement factory for a breach of Party discipline.

Some 25 years later, after endless humiliation and suffering, he wrote an exposé of corruption in Binxian County near Harbin, called "People or Monsters?" His friends thought he was crazy to take such risks. And it was not long before the roof fell in once more.

So there was an element of naiveté about you? I asked.

"That's right. All my friends, even my readers said: 'You're too naive, you're too naive'. Repeatedly they said that."

I asked him if his life had changed him.

Liu replied in Chinese. "There are three kinds of 'rightists'. Some collapsed totally, some learned their lessons and became very cautious and obedient and tried to compromise. But there remains a third kind and I was among these. Because we were sent to the grass-roots we understood much more about China."

He continued in English: "Living among the peasants I was very clear that there couldn't be any other choice. My whole life will be the same as the fate of the peasants. When peasants can eat enough, so I can eat enough. When the peasants can eat a little meat, I can too.

"I learned that many 'rightists' had died, among my friends. One committed suicide on the railway line. I should share some responsibility, some burden of the things they could have done." Liu's broad face lost its composure for an instant.

"The Chinese say that mountains and rivers are easy to change, but not one's character."

When I asked him whether he still regarded himself as a Communist he said: "Yes. Maybe more accurately I consider myself one of the Left opposition. I didn't agree with those people, many Chinese intellectuals, especially abroad, who wholeheartedly incline to the capitalist trend and western countries."

You're still an idealist, are you?

"Yes. I don't think that human society will stop at the stage of capitalism. Even capitalism is developing. Yes."

You say you are Left opposition. Doesn't that make you untrustworthy? People will say 'He's an old Communist and all Communists are bad Communists.'

"That's a very important difference between Chinese, and Russian and East European people. In China people separate Communists into good and bad. They don't see the Party as a whole. In fact, I don't think it is a party now, it's just an alliance of three factions, so different from each other – and more antagonistic to each other than, say, the Social Democrats and Christian Democrats in Germany."

Can you imagine socialism surviving in China?

"I believe that our people will try to find a special way for China. I know that theoretically it is still a problem not solved worldwide. How you keep socialist principles, some kind of equality, together with competition is very difficult to answer."

Has Communism achieved nothing in China?

"No. It's total failure."

What about agricultural self-sufficiency, or unification? "But look at how much we paid for that. So many people were killed or died from starvation. You cannot find such a parallel in all our history. Do you know that more than 30m people died from starvation between the end of the Fifties to the beginning of the Sixties? Even now, the Chinese people don't know that. I don't think more than a hundred people know that."

Nonetheless, Liu thinks the Communist Party will stay in power. There would be gradual reform at the top in the next few years, driven by the "profound change" that has occurred at the grass-roots and only temporarily been suppressed by Tiananmen. People were looking for a peaceful transition, warned by events in the Soviet Union. He said: "Deng Xiaoping is right: if we go the way of Gorbachev we will not have enough to eat.

"I believe the Party will survive. One part will separate to make itself into an independent opposition party that may win a majority of the vote one day.

"Most of the best intellectuals are members of the Party. Many have changed their mind in the last years. Why should we get rid of all these people? I don't understand what they did after the coup in the Soviet Union. I don't think it's right to declare the suspension of the whole Party and regard all Party members as reactionaries."

I wondered whether his experience of the West had affected his socialist idealism. He said not, but added that he was surprised, given the freedom they enjoyed, how bad the local papers were.

"That is a reflection of the mentality of the American people, I think. Papers are commercial and must accommodate to people's taste and interests. So papers become worse and worse. So does TV."

Do you think when people have democracy, wealth, freedom and peace that they become mentally weaker?

"I agree with you. And the weak side of our culture is revealed in Taiwan. Once people have money they use that to consume, they don't know how to make use of money and freedom and they start to seek all kinds of pleasures. And now the provinces of Canton and Fujian are becoming similar to Taiwan. I am worried very much." Liu wrote to a friend in China recently to say: "At the moment we are unhappy because we can't publish our books. But maybe one day we will be able to publish but we won't find any readers."

Liu Binyan has been seen by his admirers as another Vaclav Havel, the playwright who became president of post-Communist Czechoslovakia. Friends have encouraged Liu to bid for future leadership.

"I want to go back, but I don't want to be a politician in China," he said. "Because my time is very limited [he is 66] I prefer to go the way of writing and research, to find some new ideas for China. Maybe I will try to create a new newspaper."

But he added: "If as soon as I arrive people push me, I couldn't refuse. But you know we have a generation of younger people. Maybe the future leaders are presently in jail or in hiding in China."

I had finished the interview. Liu was still pondering. Finally, he said: "The suffering became like an advantage, like my property. So I feel myself fortunate. That is why I want to go home as soon as possible. Even if they won't let me write, but just let me into China, and not arrest me or send people to follow me.

"I want to learn China more profoundly and to have some impact on China. Just my returning would make people more hopeful."

A stamping and a gnashing of teeth

Nigel Spivey

TO THOSE who have never been involved in one, a ruck is not easy to define. It is that juncture of a rugby match when several tons of flesh and bone converge on an oval ball. It may be considered as a sort of fluid scrimmage, with elements of the solid barrage; it should not be confused with the maul, nor indeed with the brawl, though it may well indicate those features. Only the periphery of a ruck is ever visible to the crowd, the television cameras, and the referee. What goes on in the core is a compound of kinetic activities you would scarcely believe possible in such a compressed area.

There are foul odours and even fouler oaths. There are rakings, stampings and grindings. Ears may be lost and noses broken. It is a model of all that is base and brutish in the human condition. It makes heavyweight boxing look like an under-elevens ballet lesson. Not even an aria by Dame Kiri Te Kanawa can redeem the vileness of the inner ruck.

As aficionados of rugby know, the ruck usually leaves a residue: the fellow at the bottom of it all, who is scraped off the field by the team doctor. This residue was me, roughly a year ago, and though at the time I thought I had broken my neck, and was ready to bite off anyone's ear if it would release my own pain, I realise that I got off lightly.

The villages of my part of Wales are haunted by sad young men in wheelchairs, and a ruck or a collapsed scrum is usually what put them there. They are feted with lamb-roasts and raffles, as if such fêtes could compensate a life-long paralysis: local heroes of what is still the national game. Well, they knew the risks, as I did; and I must refrain from attacking the British Medical Association, which would stop boxing (black men from poor backgrounds trying to escape the margins of criminality) while encouraging its own medical apprentices (mainly white and public-schooled) to play up, play up for Bart's.

Instead, let me describe what happened when I hauled myself, with something less than a broken neck, to the NHS. I went reluctantly: after all, knocks are knocks, and the analgesic favoured by most rugby-players is an extra half-dozen pints after the match. I found my GP understandably unsympathetic: he reached for his stethoscope, poked about my torso with little Hippocratic zeal, diagnosed some strained ligaments, and told me to take a fortnight's rest. My neck and shoulders made noises like walnuts cracking, but I duly rested them; after a fortnight, I humped my walnuts back to the surgery and was told to rest further. When the walnuts still cracked, two months after that ruck, I put in a bid to see some far-off NHS consultant, and in the meantime tried some alternative medicine.

The first alternative medicine came from a man with a beard who called himself Bender. He lives in a home-

HAWKS & HANDSAWS

spun bivouac in the hills, to which he came in 1968, with the aim of finding himself. Now he practises Remedial Massage from a garret in town, and seems to make a decent living. Bender meandered over my shoulders with powerful fingers; heard the walnuts cracking, and told me I was really knotted up. It was pleasant enough; there are worse ways of spending a tenner; and it brought some temporary relief. But subsequent sessions failed to have any lasting effect, so Bender referred me to an aromatherapist, a friend of his called Rose Petal.

Rose Petal lives in a cottage with numerous cats, and two children of indeterminate sex called Happy and Sunlight. If Mr Petal exists, he was invisible. Rose was less vigorous than Bender: she believed in the spiritual and holistic side of healing, and lectured me on the impurities of my diet. Some of my staple liquids – tea, coffee, milk, gin – apparently poison my system every time I take them. Then I laid down on a couch, and had a piece of crystal placed upon my chest. Rose administered some embrocation. Again, it seemed efficacious at the time, as the essential oils tingled across the top of my spine. Again, the rustle of banknotes; and again, waking up the next day feeling very much the same.

Shiatsu massage. Acupuncture. Sacro-cranial massage. Trick cyclists are ubiquitous, in this age of reason: I tried them all. None cured me. The only really diverting session was the Reflexology, which involved healing my neck by kneading my toes. It was unbearably ticklish, and I was still roaring with laughter as I pulled out my wallet.

Six months on the NHS consultant announced that he was ready to see me. Once more I felt ashamed of my walnut-cracking neck, as I waited outside the consultant's door with patients who might have come straight from the first Somme offensive. My ten minute visit was brisk. He made me wave my arms about, and donked me with a toffee-hammer.

"How'd you do this?" he snapped. "In a ruck," I said. "I thought I'd broken my neck." The consultant dictated: "He was playing rugby. Stop. He thought he had broken his neck. Stop. Silly bugger. Leave that out. Right: he has a traction injury to the right shoulder. End of case."

As I say, one expects no sympathy from the medical profession. I know that one should follow those who know about health, and spend winter golfing in the Algarve. But I now eagerly awaited the straight, non-alternative cure for my traction injury. There would be a machine, a course of treatment and physiotherapy: my faith in age science would be confirmed.

"Take it easy," he said, "and lay off the rugger, eh?"

This was not what I wanted to hear; apart from the fact that we were now well into the cricket season, it seemed no better than the original counsel from my GP.

"It could take six months to heal. It could take 18. All right? If it hurts, take an aspirin. Okay. Next?"